Ground Water Oil Clean-up Fund Report

Submitted to:

The Joint Standing Committee on Natural Resources of the 120th Maine Legislature

Submitted by:

The Maine Department of Environmental Protection

December 15, 2000

Pursuant to the Public Laws of 1999 Chapter 714, Section 4

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Summary

This report on the Ground Water Oil Clean-up Fund (the Fund), administered by the Department of Environmental Protection, has been conducted at the direction of the Maine Legislature. The Department has examined revenue sources and disbursements for the fiscal years of 1998, 1999, and 2000. Recommendations have been made for accelerating petroleum spill clean-up activities, for addressing the backlog of sites awaiting clean-up, and for pollution prevention efforts. The Department has proposed options for implementation of these recommendations and has noted what changes are necessary to the Fund for their implementation.

The Ground Water Oil Clean-up Fund (the Fund), established in 1987 and substantially modified thereafter, is a multi-purpose, non-lapsing revolving fund. Its primary purpose is to pay costs associated with oil discharge removal, abatement, and remedial actions from above ground and underground petroleum storage facilities not paid by a responsible party.

The major source of revenue into the Fund is per barrel fees received monthly from oil terminal facilities. The Fund has a statutorily-allowed maximum balance of $12,500,000.00. A fee surcharge is imposed under certain conditions. Revenues into the Fund have dropped based on a decline in petroleum imports into the state. Total revenue varied greatly depending on whether or not the surcharge was in effect.

Fund expenditures are made for Personal Services, All Other, and Capital. A Personal Services budget to support forty-three (43) positions is set according to an established statutory maximum. Within the All Other category, direct spill clean-up expenditures from emergency response and long-term remediation activities predominate. Capital expenditures are an insignificant portion of total Fund expenditures.

The caseload of spills requiring clean-up continues to rise. Maine has led the nation in removal or replacement of underground petroleum storage tanks (USTs). Accordingly, the number of UST spill clean-up events requiring emergency response has decreased. However, the number of above ground storage tank (AST) events, primarily from residential home heating oil storage tanks and non-tank-related events, is on the increase. The Department established a pilot program to repair or replace substandard home heating oil storage tanks in order to prevent spills from occurring.

While ASTs represent an increasing portion of new long-term remediation sites, USTs still constitute nearly one-half of the caseload. In general, ASTs for home heating oil cost less to remediate while USTs, which most often contain gasoline, cost substantially more to address.

As required, the Department has developed recommendations to accelerate the rate of clean-up and decrease the backlog of sites awaiting remediation. These recommendations include:

- alternative methods for completion of certain clean-ups through contractual services
- adjustments in Department staff resources and spending to allow for the placement of additional resources where needed to address the largest backlog of sites
- increased efforts in pollution prevention efforts
- adjustments to fee surcharge trigger points

The Department is also considering other efforts to decrease additions to the existing backlog of sites awaiting remediation. Separate legislation for these efforts may be submitted.

A structural deficit in the Fund looms and is abated in the short term through period return of funds from a commercial loan program administered by the Finance Authority of Maine. Implementation of the Department recommendations is dependent on an increase in the per barrel fees in oil imported into the state.

Three scenarios have been structured to illustrate the additional fees needed to cumulatively implement the recommendations.

Introduction

This report is submitted in compliance with Chapter 714 of the Public Laws of 1999. Specifically, Section 4 of the law requires that the Department conduct a review of the Ground Water Oil Clean-up Fund (the Fund) which it administers, including a detailed budgetary analysis of revenue sources for and disbursements from the Fund. As part of this analysis, the Department is required to consider whether certain disbursements from the Fund should be paid from other funds, whether income to the Fund is sufficient to cover the need for disbursements from the Fund, and the adequacy of the funding of clean-up activities. The law also requests the Department to recommend how progress in remediating sites contaminated by petroleum products can be accelerated.

Findings have been prepared and recommendations made, including recommendations for accelerated clean-up activities and improvement in the backlog of clean-up projects.

As required, the Department submitted a draft of this report to the Fund Insurance Review Board for review and discussion at its November 6, 2000 meeting.

For the purpose of analysis, the data used to prepare this report was based on the fiscal years of 1998, 1999, and 2000. Any deviation from this is noted within the report.

Chapter 714 also requires that the Department convene a task force to review the current regulatory framework for regulating aboveground oil storage tanks and that it review the insurance coverage available for clean-up of prohibited discharges of oil. Both efforts are underway and will be referenced in the context of this report.

Purpose of the Ground Water Oil Clean-up Fund

The Ground Water Oil Clean-up Fund was established in 1987 and was substantially modified in 1993 to be used by the Department of Environmental Protection (the Department) as a non-lapsing, revolving fund to carry out the purposes of 38 MRSA Section 569–A through December 31, 2005 and 38 MRSA 569-B thereafter. These purposes include:

- administrative expenses
- loan repayments
- all costs involved in oil discharge removal, abatement and remedial actions from above ground and underground storage facilities not paid by a responsible party
- research and development activities
- third party damage claim awards
- costs of hearings, independent examiners, and independent claims adjusters
- costs of insurance to extend or implement the benefit of the Fund
- costs for studies of the environmental impacts of discharges to ground water
- costs associated with the Board of Underground Tank Installers
- payments to or on behalf of applicants eligible for coverage by the Fund
- costs associated with the Fund Insurance Review Board
- costs incurred by the Office of the State Fire Marshal (OSFM) for certain duties
- costs associated with the above ground oil storage tank removal and replacement program

The Fund Insurance Review Board (FIRB) was established to monitor income to and disbursements from the Fund and to adjust fees as required in order to avoid a shortfall. Additionally, the FIRB hears and decides appeals from insurance claims related decisions of the Department. The FIRB meets on a quarterly basis and holds special meetings when it is warranted. Since 1995 the FIRB has commissioned an annual audit of the Fund and has reviewed the findings of each audit report.

Fund Revenues

Revenue into the Fund is derived from fees on the transfer of petroleum products, annual underground tank registration fees, spill clean-up recoveries and reimbursements, insurance program deductibles, fines and penalties, interest, and occasional other sources. The following tables illustrate revenue sources for each of the three (3) most recent fiscal years.

NET REVENUE

FY98 Totals	TOTAL REVENUE	REFUNDS	ACTUAL (NET) REVENUE	PERCENTAGE
Terminal Fees	16,452,897	3,345,797	13,107,100	93.03%
Tank Fees	248,019		248,019	1.76%
Interest	343,031		343,031	2.43%
Recoveries	68,351		68,351	0.49%
Deductibles	183,468		183,468	1.30%
Repayment of Loan from MEPF Water	0		0	0.00%
Fines	117,810		117,810	0.84%
Miscellaneous	22,073		22,073	0.16%
	17,435,649		**14,089,852**	**100.00%**

FY99 Totals				
Terminal Fees	12,449,331	1,736,825	10,712,506	73.26%
Tank Fees	207,562		207,562	1.42%
Interest	415,052		415,052	2.84%
Cont from Intragov Fund	1,895,642		1,895,642	12.96%
Recoveries	403,560		403,560	2.76%
Deductibles	334,987		334,987	2.29%
Repayment of Loan from MEPF Water	46,000		46,000	0.31%
Fines	95,550		95,550	0.65%
Miscellaneous	512,026		512,026	3.50%
	16,359,710		**14,622,885**	**100.00%**

FY00 Totals	TOTAL REVENUE	REFUNDS	ACTUAL (NET) REVENUE	PERCENTAGE
Terminal Fees	11,180,693	1,801,183	9,379,510	83.36%
Env Fees	6,460		6,460	0.06%
Tank Fees	186,365		186,365	1.66%
Interest	251,669		251,669	2.24%
Cont from Intragov Fund(2723)(FAME)	1,000,000		1,000,000	8.89%
Adjustment to Balance Forward	633		633	0.01%
Recoveries	82,704		82,704	0.74%
Deductibles	195,111		195,111	1.73%
Repayment of Loan from MEPF Water	46,000		46,000	0.41%
Fines	43,305		43,305	0.38%
Miscellaneous	59,676		59,676	0.53%
	13,052,616		**11,251,433**	**100.00%**

The transfer of petroleum products accounts for the vast majority of the revenue into the Fund. Fees are assessed on the first transfer of petroleum product into the state at the following per barrel[1] rates:

- $0.38 for gasoline
- $0.19 for refined petroleum products and by-products other than gasoline, liquid asphalt and #6 fuel oil, including #2 fuel oil, kerosene, jet fuel and diesel fuel
- $0.04 for #6 fuel oil

The maximum Fund balance is $12,500,000.00. When the Fund reaches this level, fees into the Fund abate. Since the creation of the Fund, this balance has never been reached.

Alternatively, should the balance of the Fund drop to $3,000,000.00 or less, then additional per barrel fees in accordance with Chapter 4, Oil Import Fees, adopted by the Fund Insurance Review Board in October of 1995, may be imposed by the Department on some of the products listed above. These additional fees are assessed as follows:

- $0.10 for gasoline
- $0.05 for refined petroleum products and by-products other than gasoline, liquid asphalt and #6 fuel oil, including #2 fuel oil, kerosene, jet fuel and diesel fuel

There is no additional fee for #6 fuel oil.

[1] One barrels equals 42 gallons

These additional fees, hereafter called the surcharge, remain in place until the balance of the Fund averages $5,000,000.00 or greater monthly for three consecutive months. Since the authorization in October of 1995, the surcharge has been in effect for thirty-three (33) months of the fifty-seven (57) month period ending June 30, 2000.

Underground storage tank registration fees are assessed on an annual basis at a rate of $35.00, with an additional fee of $130.00 assessed for tanks not constructed of fiberglass, cathodically protected steel or other non-corrosive material. There are approximately 5,700 billable tanks registered in the Department database. This is a decrease from nearly 10,000 tanks billed in 1996.

Another source of Fund revenue is collections from responsible parties associated with a clean-up activity. When an application for participation in the Fund insurance program is accepted, a standard deductible is assessed based on the type, number, and size of the tank. Conditional deductibles may also be assessed in accordance with applicable statutory provisions on a case-by-case basis. In addition, the Department is required to seek from responsible parties the recovery of costs incurred in the clean-up of spills, in the rare instance clean-ups covered by the Fund insurance program exceed $1,000,000.00.

Fines and penalties as a result of certain enforcement actions concluded in the year are credited to the Fund.

The Fund is held as part of a statewide pool which is invested through the Department of Treasury. Interest is calculated monthly and the Fund is credited with its share.

Miscellaneous income is derived from a variety of sources including license fees for underground tank installers, occasional sale of equipment, and other small sources which do not fall into other categories.

In addition to these standard sources of revenue, occasionally other sources into the Fund are received. For example, previously the Fund has loaned sums to other dedicated funds of the Department and the repayments are credited to the Fund. All such loan repayments have been completed in the timeframe of this report.

Additionally, funds from the Maine State Housing Authority (MSHA) and the FIRB have been returned. The funds from MSHA were returned when the agency closed its residential UST removal and replacement loan program, the funding of which originated from the Ground Water Oil Clean-up Fund through periodic transfers from the Department. There will be no more funds from MSHA. The funds from the FIRB are from accrued repayments to the commercial UST removal and replacement loan program which is administered by the Finance Authority of Maine (FAME). Both programs were established by the Legislature in order provide a funding mechanism for

UST removal and/or replacement. The following is a listing of these sources and amounts:

SOURCE	FY99	FY00
Loan Repayment (final)	$46,000.00	$46,000.00
MSHA	$1,895,641.92	
FIRB		$1,000,000.00

MSHA ended its program to provide loans for the removal and replacement of underground petroleum storage tanks and the balance of program funds was returned to the Fund. The FIRB authorized a return in an attempt to avoid a shortfall in the Fund during FY00.

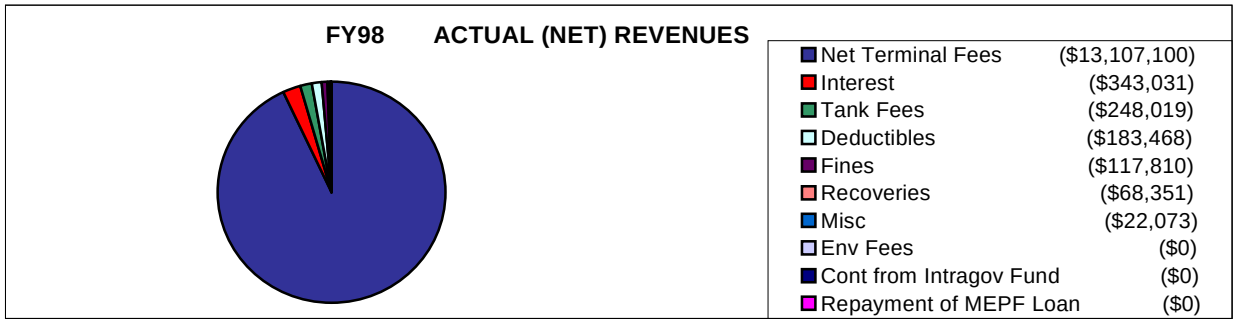
As stated previously, fees for transfer or import of petroleum product into the state are the primary source of revenue into the Fund. However, as required by 38 MRSA 569-A(8), after receipt of appropriate documentation the Department must refund fees paid into the Fund for petroleum products which were exported from Maine. While these amounts were received into the Fund and are reflected as income, the income is not available for use for Fund activities and is, therefore, reflected as an expense from the Fund. The following chart illustrates refunds in the three most recent fiscal years:

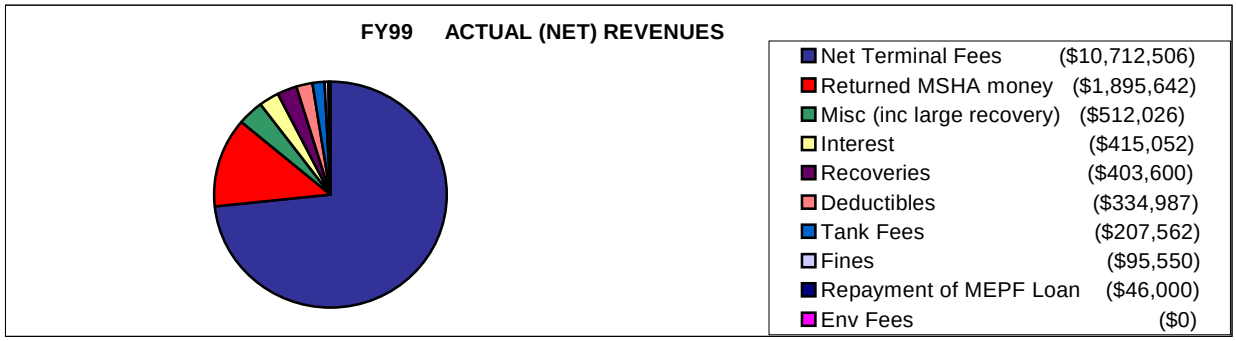
	GROSS REVENUE	REFUNDS	% OF REVENUE	NET REVENUE
FY98	$16,452,897	$3,345,797	20.34%	$13,107,100
FY99	$12,449,331	$1,736,825	13.95%	$10,712,506
FY00	$11,180,693	$1,801,183	16.11%	$9,379,510

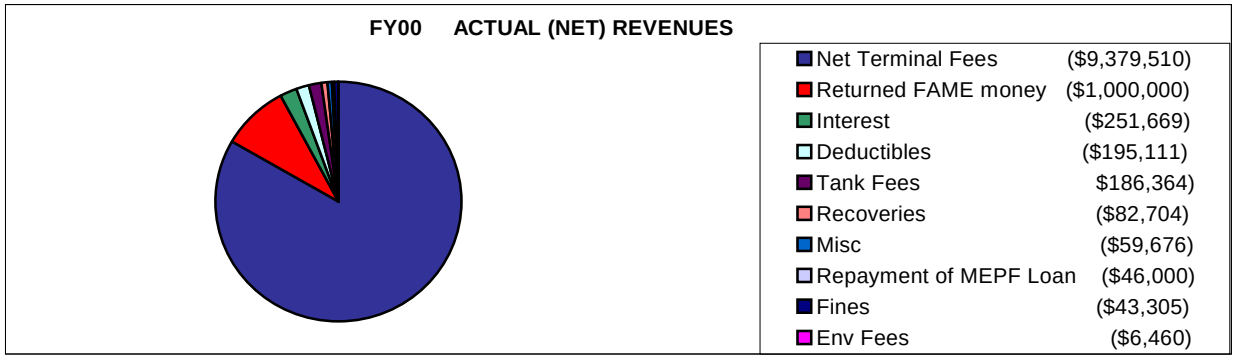
In the three-year period, the Fund returned an average of 16.8% of revenue in fee refunds.

In order to accurately reflect revenue available for Fund related activities, fee refunds actually must be subtracted from the total revenue. Figures 1A, 1B, and 1C display actual revenue by source. It should be noted that some of these sources are discretionary, non-routine transfers or returns which may vary considerably from year to year, such as returns from the FIRB described above.

Figures 1A, 1B, and 1C





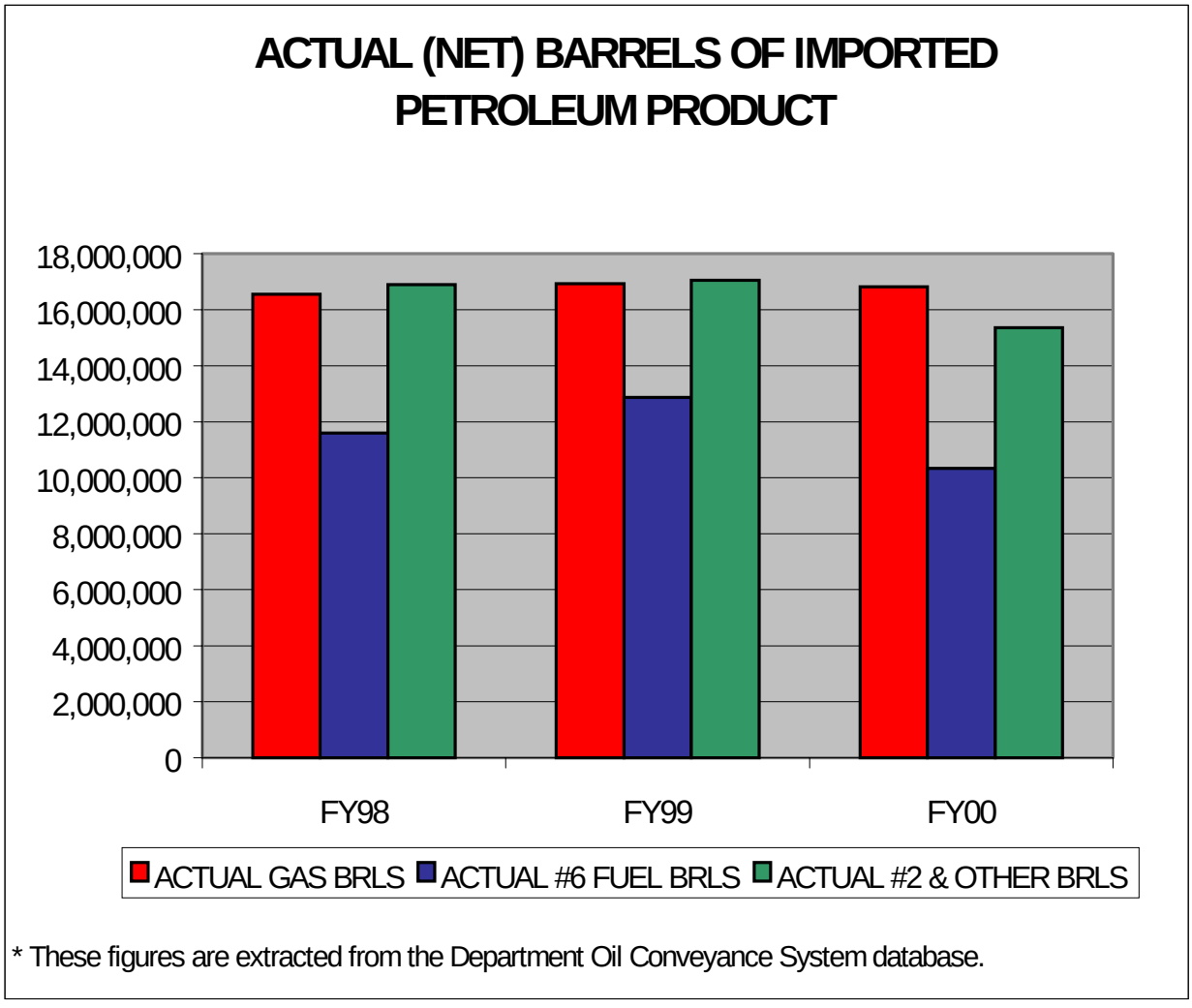


Recent Revenue Trends

During the three-year period, revenues into the Fund have declined. Two factors contribute to this trend.

First, the amount of petroleum product imported into the state has declined slightly. Figure 2 illustrates the decline, by product type.

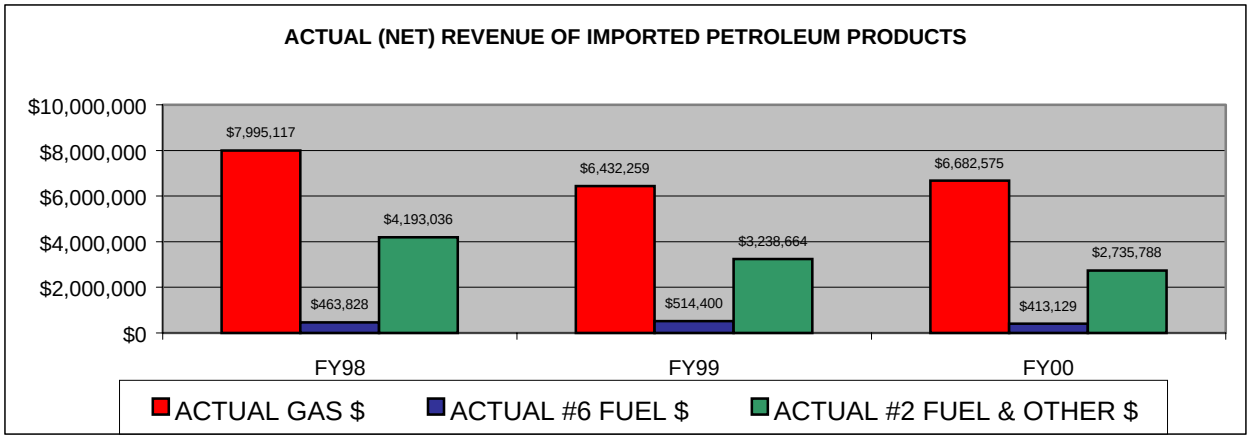
Figure 2

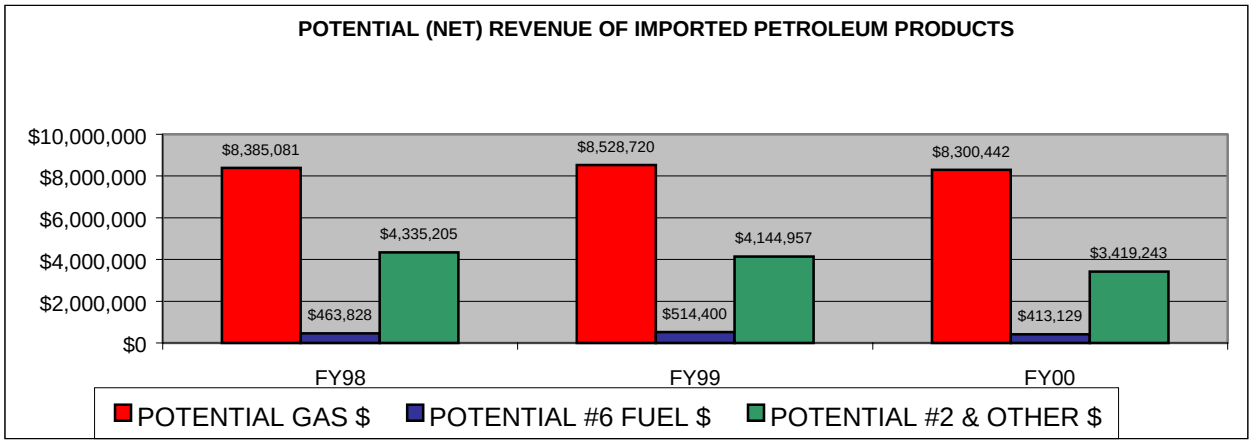


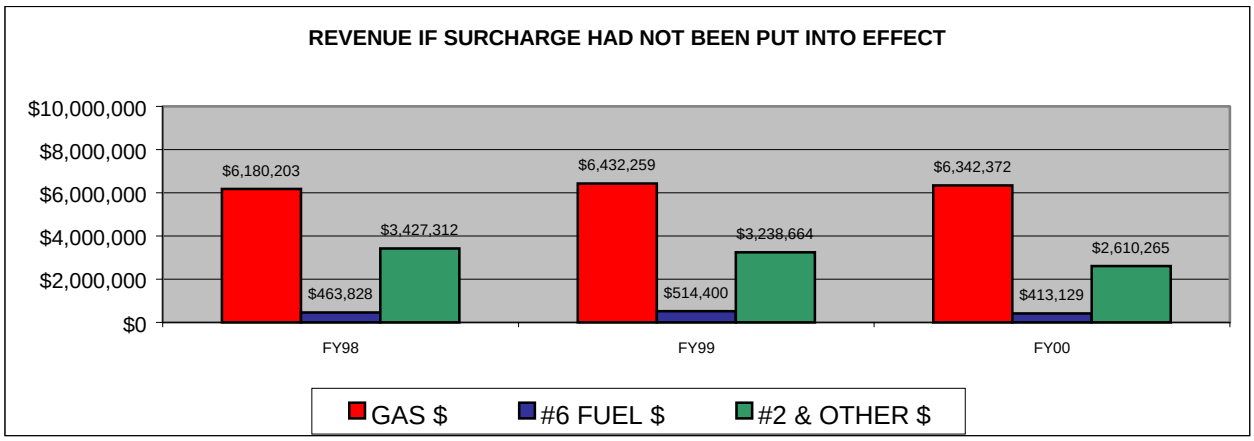
* These figures are extracted from the Department Oil Conveyance System database.

More important, the decline in revenue is largely a function of when the fee surcharge was in effect, as reflected in Figures 3A, 3B, and 3C below.

Figures 3A, 3B, and 3C







During the three-year period, the surcharge allowed by Chapter 4 Oil Import Fees was in place from July of 1997 through April of 1998 and again from May of 2000 to the present time, or thirteen (13) of the thirty-six (36) months. These fees accounted for an additional $3,049,362.00 in revenue. Had they been in place for the entire three-year period revenue would have been $5,836,209.00 greater, or an average of $1,945,403.00 for each of the three years.

Revenue derived from underground tank registrations has decreased as the population of billable tanks has declined.

Fund Expenditures

Fund expenditures fall into one of three major categories: Personal Services; All Other; and Capital.

Personal Services

The Personal Services expenditures for the last three years are as follows:

FY98	$1,862,492.00
FY99	$2,139,692.00
FY00	$2,234,795.00

Personal Services expenditures currently cover the costs of all positions within the Department, including fringe benefits, for the forty-three (43) positions directly supported by the Fund. See page 49 in the Appendix for a listing of positions by Division within the Department.

The relationship of these positions to the ground water program varies depending upon the nature of the position. They can be generally categorized as follows:

- 29 are responsible for emergency response, long-term remediation, and insurance program claims processing
- 5 are responsible for providing financial and administrative support services
- 3 are responsible for technical support in the use of Geographic Information Systems (GIS)
- 4 are responsible for implementation and enforcement of the UST regulatory program[2]
- 2 are responsible for providing support to the Board of Underground Storage Tank Installers

With the exception of the Board of Underground Storage Tank Installers (BUSTI) program, all of these programs/activities receive support from funding sources in addition to the Fund.

At a time of serious budget constraints in the early to mid 1990s there was a major shift in overall Department staff support from the state General Fund to dedicated funds. In 1991 there were forty-seven (47) positions supported by the General Fund in the then Bureau of Oil and Hazardous Materials. Today there remain only seven (7) in

[2] The position count includes one seasonal position for sixteen (16) weeks each year

what is now known as the Bureau of Remediation and Waste Management. This is an increase from a low of five (5) in 1998.

Since support for positions was shifted from the General Fund to dedicated funds, the number of positions assigned to the Fund remained level at forty (40). In 1999, three (3) positions were added on a temporary basis to provide support in the use of geographic information systems. These three (3) positions, which have proven to be extremely valuable to the Department, will be retained permanently with plans for only one (1) to be supported by the Fund after 2001. Additional information regarding the GIS positions is provided below.

Beyond the addition of these three (3) positions, the increase in Personal Services can be attributed to normal salary increases for those who earn them, to increased costs in health insurance and workers' compensation coverage, and to increases negotiated through the labor relations contract process.

While directly supported by the Fund, some of these staff may "journal" time to other funding sources which are better aligned with the nature of the work being performed at a particular time. This most commonly occurs within the Division of Response Services for staff who work on clean-up of, for example, hazardous materials spills. In such cases, staff who are normally paid from the Fund record their non-Fund related work on the bi-weekly timesheet and that time is charged to another funding source. This journalling occurs in the reverse direction as well, with staff not paid from the Fund who journal their Fund-related time worked.

The Department awaits the completion of a new statewide automated time distribution system which will allow for easier apportionment of staff costs on a per-payroll-period basis and will result in more accurate record keeping of distributed time. The Department is expected to participate in the pilot testing of this system in 2001.

In 1998 the Personal Services budget was set by statute at a maximum of $2,250,000.00 with a four percent (4%) annual adjustment factor beginning in FY99. The Department has not exceeded this statutory limit since it was established.

All Other

The All Other expenditures for the last three years are as follows:

FY98	$14,007,467.00
FY99	$13,994,033.00
FY00	$13,771,270.00

As fee refunds were already deducted from the revenue side to reflect actual available revenue, they will not be included in this discussion of All Other expenses.

	GROSS ALL OTHER	**REFUNDS**	**NET ALL OTHER**
FY98	$14,007,467	$3,345,797	$10,661,670
FY99	$13,994,033	$1,736,825	$12,257,208
FY00	$13,771,270	$1,801,183	$11,970,087

All Other costs constitute the majority of Fund expenditures. Further, direct clean-up activities are the predominant All Other expenditure. Clean-up expenditures are made in the course of both emergency response and long-term remediation activities.

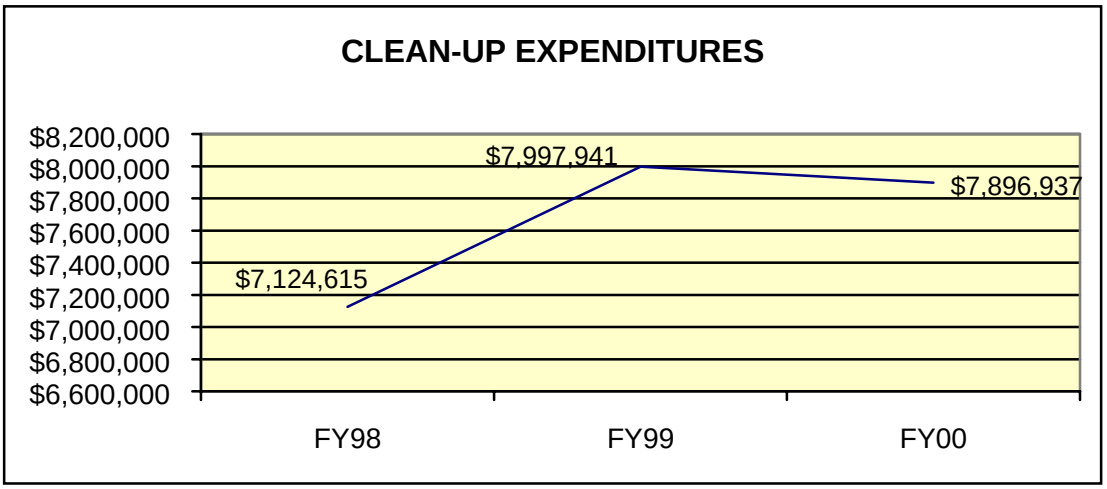
Typical emergency response activities include containment of the spill, the clean-up and removal of petroleum spills through soil excavation and “vacuuming” of contaminated soil and water, and the provision of a temporary potable water supply. Spill containment and certain clean-up actions are generally conducted by staff of the Division of Response Services. More complex spill clean-ups and installation of temporary treatment systems for contaminated water supplies are conducted by private contractors and the work is overseen by Response Services staff. As a rule, emergency response actions are accomplished within ninety (90) days of the occurrence of the spill. Action needed beyond emergency response is typically considered long-term remediation and is discussed below.

Clean-up activities beyond emergency response are considered long-term remediation and the duration of such events can range from a few months to as many as five (5) or more years. Typical actions accomplished during long-term remediation are larger scale or more complex clean-up of contaminated soil and ground water and the establishment of permanent replacement water supplies. The staff in the Division of Remediation and the Division of Technical Services manage projects such as these. Long-term remediation can result from single or multiple spill events in an area and can

involve the replacement of single, multiple, or community water supplies. A variety of clean-up techniques are used for these sites including bioremediation, soil venting, and pumping and treatment of ground water. A site is considered closed when all remedial activities cease.

As indicated by Figure 4 below, total clean-up costs (a combination of emergency response and long-term remediation) have increased since FY98 and now approach $8,000,000.00 annual at the current level of activity.

Figure 4



The Above Ground Home Heating Oil Storage Tank Replacement Program (AST Program) accounts for additional expenditures from All Other funds. The AST Program was originally established in 1998 as a pilot to proactively abate threats to ground water resources through the retrofit, repair, or replacement of above ground heating oil tanks. Since its introduction it has been expanded to include grant and loan programs for the replacement of underground oil storage tanks and piping associated with either type of tank. Program expenditures may be made for educational efforts that encourage the retrofit, repair, or replacement of above ground heating oil tanks. During the past legislative session, the pilot became an ongoing program and may expend up to $2,500,000.00 annually.

Operational activities are those which support direct contamination clean-up and prevention efforts. Such activities include training, travel, automobile expenses, space and equipment rentals, utilities, various insurances, and other administrative functions such as postage and supplies.

The Fund must also pay to support annual costs for central services within the Department and within state government. The development of this charge, known as Indirect, is required by our federal oversight agency, the Environmental Protection Agency, and is adjusted each year based on expenditures in the previous year. Indirect is applied equally to all federal and dedicated funds administered by the Department.

Another segment of All Other expenditures involves transfers to other entities for program or support services. Through transfers, the Fund currently contributes to the support of:

- one and one-half (1.5) positions in the Office of the State Fire Marshal in the Department of Public Safety
- two (2) positions in the Office of the Attorney General for legal services involved in Fund-related activities
- annual operational costs of the Board of Environmental Protection

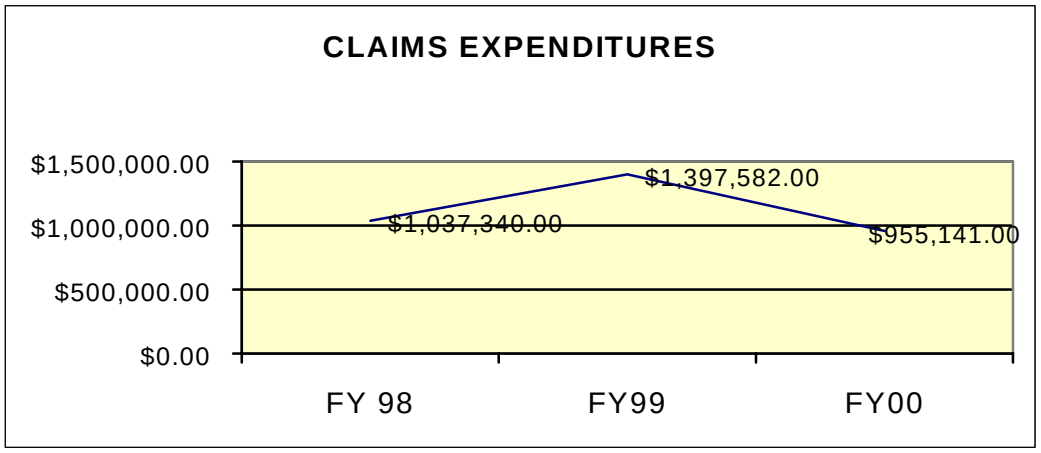
Previously the Legislature has required the Department to transfer:

- $3,000,000 to the Maine State Housing Authority (MSHA) to fund a low interest loan program for the removal and replacement of underground home heating oil storage tanks
- $13,000,000 to the Finance Authority of Maine (FAME) to fund a low interest loan program for the replacement of commercial underground petroleum storage tanks and Stage II vapor recovery systems for gasoline stations.

The MSHA program was concluded in September of 1998 and remaining program dollars were returned to the Fund. The FAME program for UST replacement and Stage II vapor recovery continues.

The previously-mentioned insurance program is the remaining component of the Fund which contributes to All Other costs. Through the Third Party Damage Claims provision, injured parties may receive compensation for certain personal or property damages. In addition, eligible applicants may receive reimbursements for justifiable clean-up costs. Finally, through the insurance coverage program, clean-up costs for certain eligible applicants are covered to a maximum of $1,000,000.00 less applicable standard and conditional deductibles. Figure 5 on the following page displays insurance program expenses for the period.

Figure 5



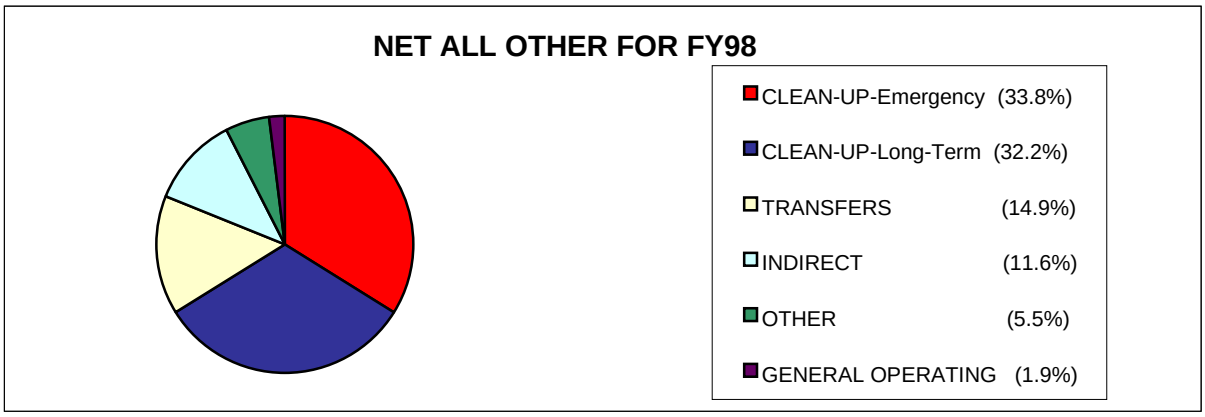
As mentioned in the introduction, the required review of the insurance program has commenced and will address the following issues:

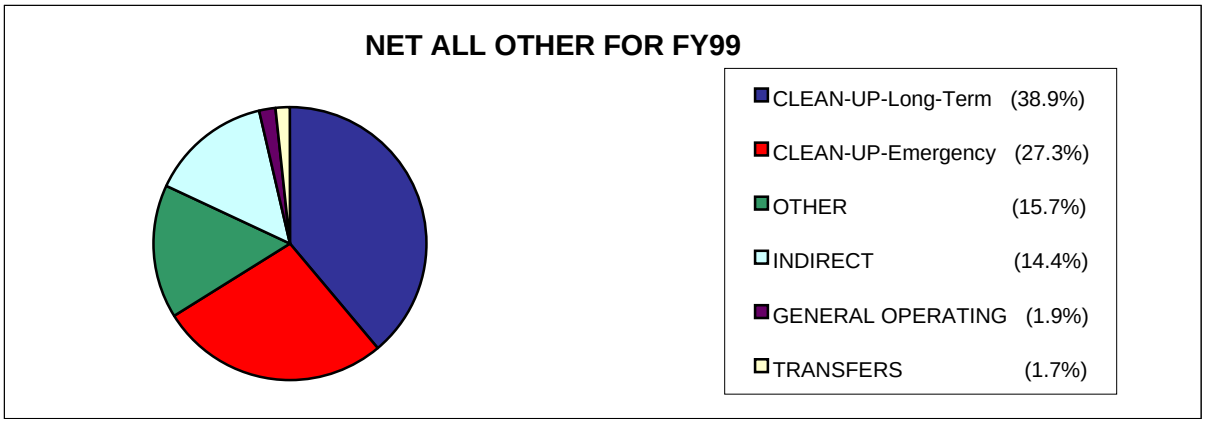
- the appropriateness of standard and conditional deductible amounts required for coverage
- the appropriateness of the sources of funding for the insurance program
- the appropriateness of coverage under the insurance program
- the exclusion of certain entities having connection with an oil refinery from eligibility for the program
- the availability of private liability insurance for underground oil storage facilities
- other alternative mechanisms for providing financial assurance

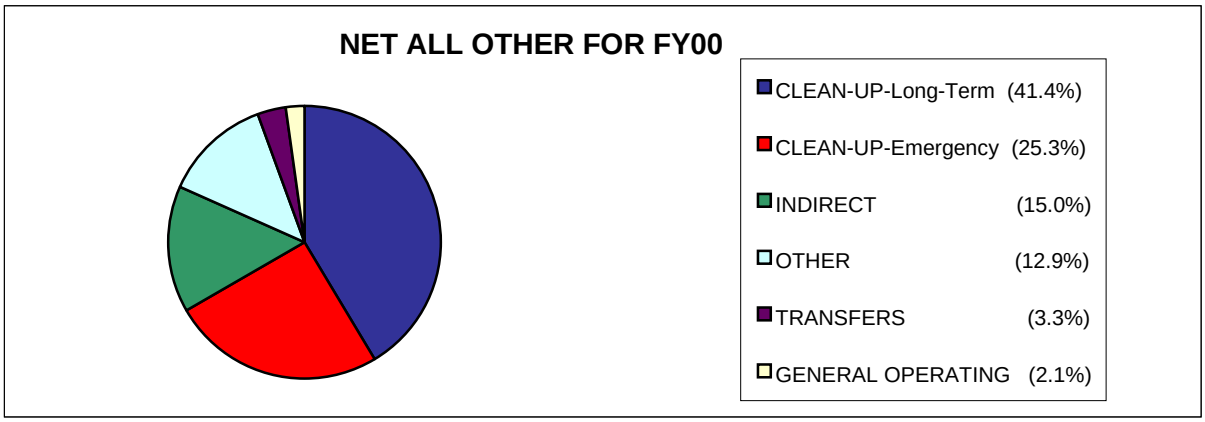
The Department will submit a report of its findings and recommendations to the Joint Standing Committee on Natural Resources by May 15, 2001.

Figures 6A, 6B, and 6C on the following page illustrate net All Other expenditures for the three-year period.

Figures 6A, 6B, and 6C







Capital

The Capital expenditures for the last three years are as follows:

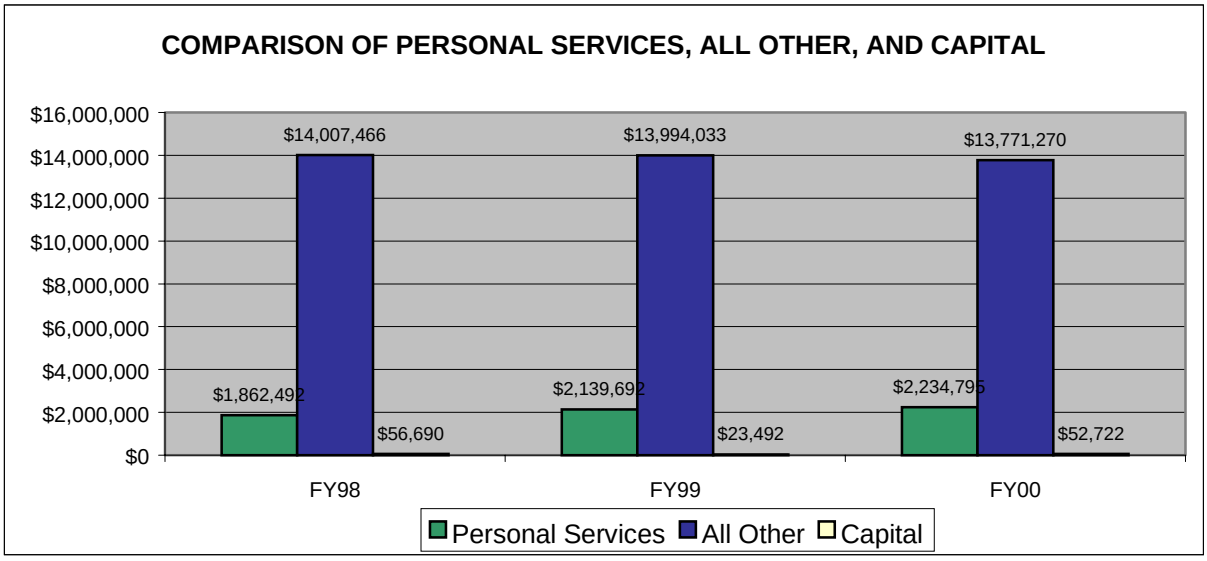
FY98	$56,690.00
FY99	$23,492.00
FY00	$52,722.00

Single-item commodity expenditures in excess of $3,000.00 generally fall into the category of Capital. Typical Capital expenditures include equipment for emergency response, leak detection and measurement, and ground water and soil monitoring. Also, certain computer-related hardware used for field and analytical work can be considered as Capital.

Acquisition of Capital commodities has been fairly low and consistent throughout the period.

Figure 7 displays total actual or net expenditures for the three-year period by expense category.

Figure 7



Clean-up and Prevention Program Adequacy

Emergency Response

Greater than ninety percent (90%) of the emergency response events managed in a typical year are related to petroleum products and the number of events increases each year.

While the number of underground storage tank events is now declining, the numbers attributable to residential above ground storage tanks and non-tank-related events, such as releases related to transportation of petroleum, continue to increase.

Number of Petroleum Releases Requiring Emergency Response by Calendar Year

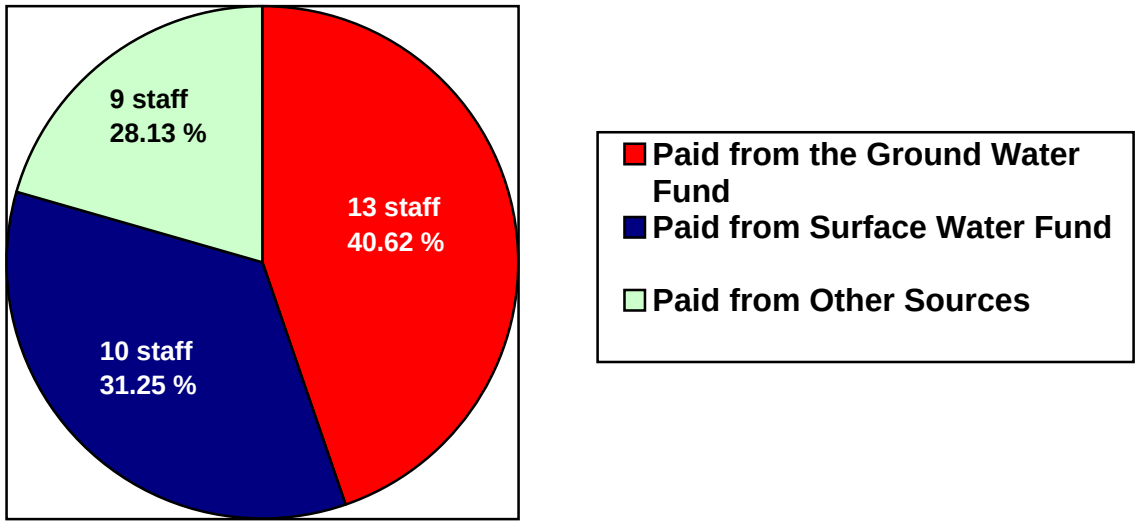
	1996	1997	1998	1999
AST[1]	534	449	628	678
UST[2]	350	427	226	145
OTHER[3]	825	766	1042	1,415
TOTAL	1,709	1,642	1,896	2,238

1. Above ground petroleum storage tank (AST)
2. Underground petroleum storage tank (UST)
3. Non-tank related spills such as transportation related releases

Staffing levels in the Emergency Response program are currently adequate to address the work resulting from petroleum releases, and the Fund is contributing an appropriate portion of support to the program as shown in Figure 8.

Figure 8

Petroleum Fee Support for Emergency Response Personnel



Total percent of staff paid from Ground Water and Surface Water Funds - 71.87%
Total petroleum spills as a percent of the total (average 1996 through 1999) - 92.75%

Long-Term Remediation

Since the ground water clean-up program began in its initial phase in 1987, nearly 500 private wells have been replaced with either a new public or private water supply as the following table reflects.

Wells Replaced Due To Petroleum Contamination
(paid by state funds)

Private wells replaced with new public water systems or main extensions		Private wells replaced with new private wells
35	1987	No Data
15	1988	No Data
34	1989	No Data
11	1990	No Data
13	1991	23
19	1992	25
23	1993	25
13	1994	41
15	1995	26
12	1996	27
7	1997	36
10	1998	17
15	1999	20
236	Total	240

The number of long-term remediation sites has substantially increased over the last five (5) years. Figure 9 on the following page shows the location of these sites throughout the state.

LONG_TERM PETROLEUM REMEDIATION SITES THROUGH JUNE 2000

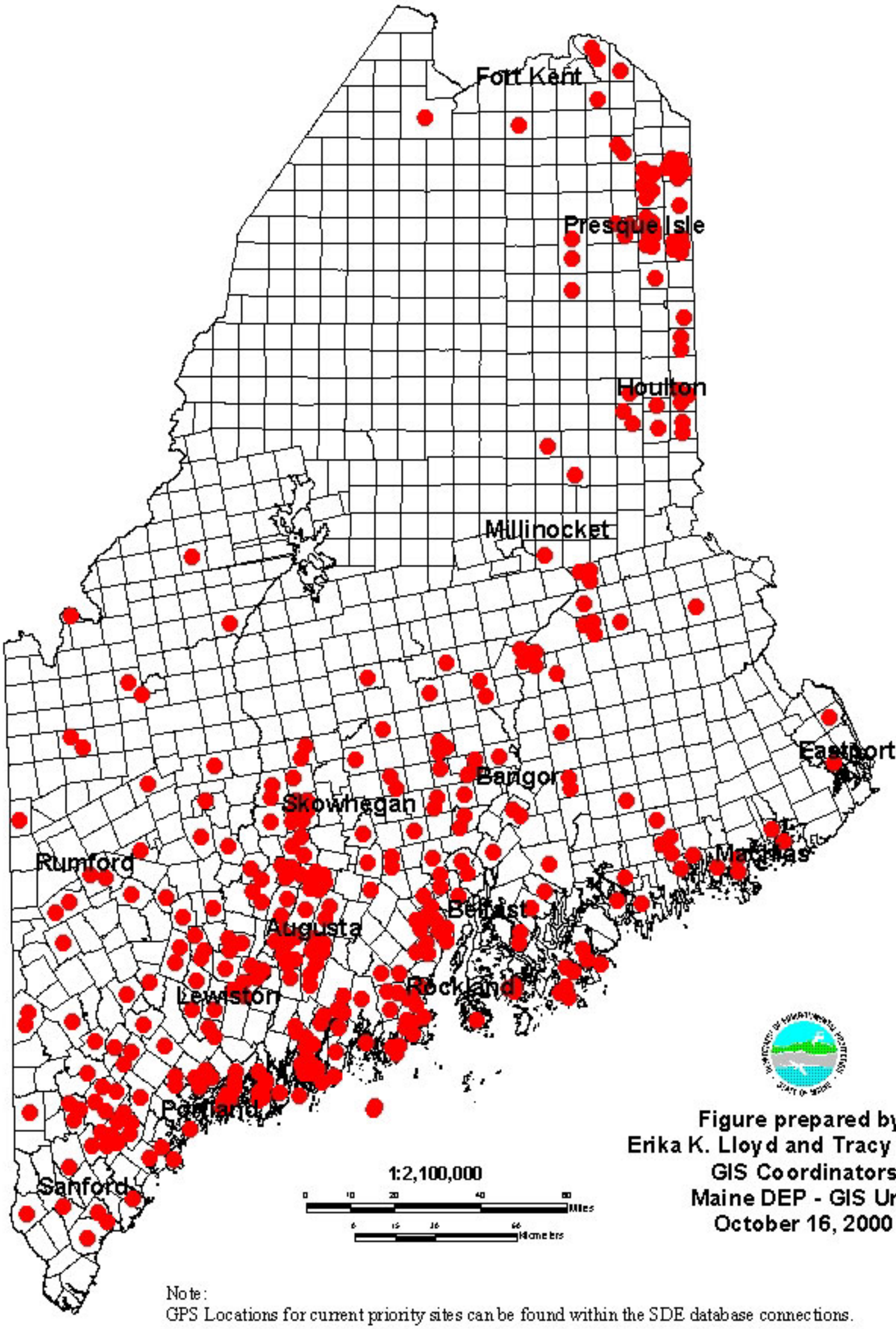


Figure prepared by
Erika K. Lloyd and Tracy Weston
GIS Coordinators
Maine DEP - GIS Unit
October 16, 2000

Note:
GPS Locations for current priority sites can be found within the SDE database connections.

While existing sites are closed and removed from the list, new sites are being added at a rate of frequency greater than closures. Figure 10 below displays the number of active petroleum sites in this phase and shows a steady increase through June 1999. The recent decline in the graph is attributed to contractual services for finalization of approximately sixty (60) nearly completed clean-ups. This project is discussed in greater detail below.

Figure 10

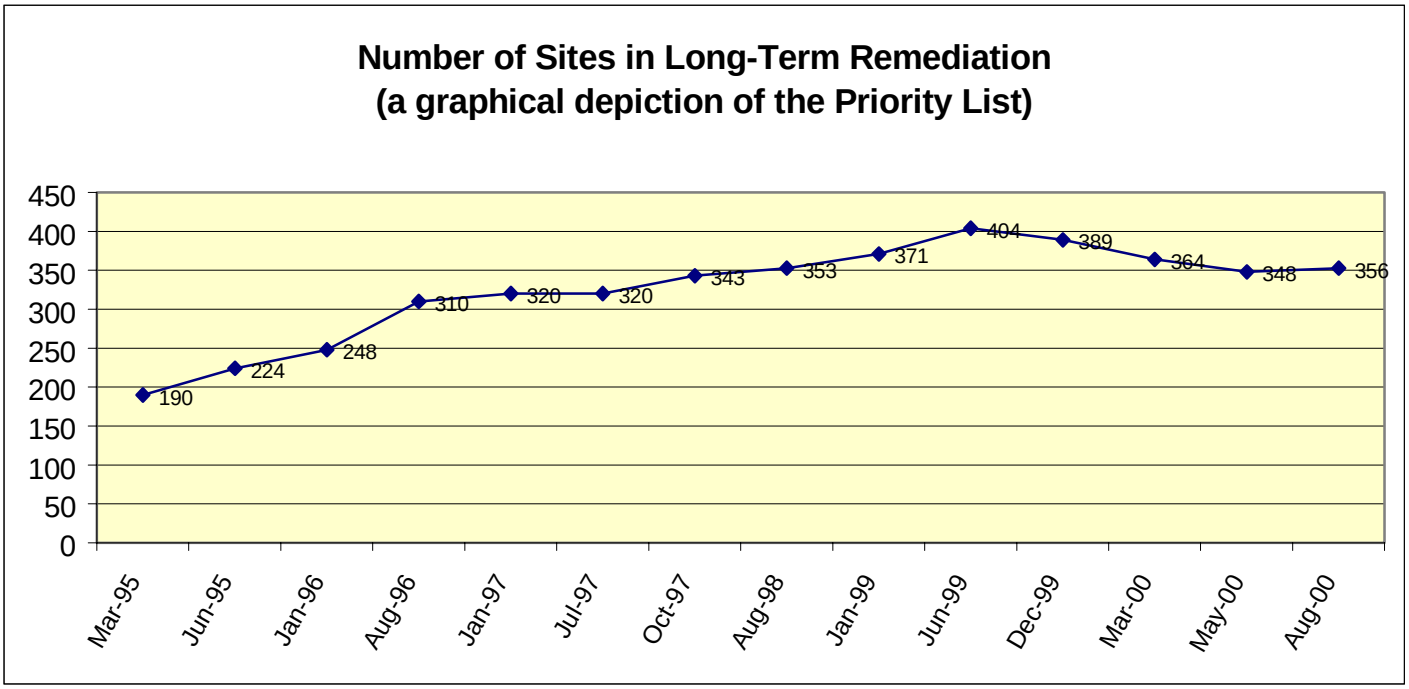
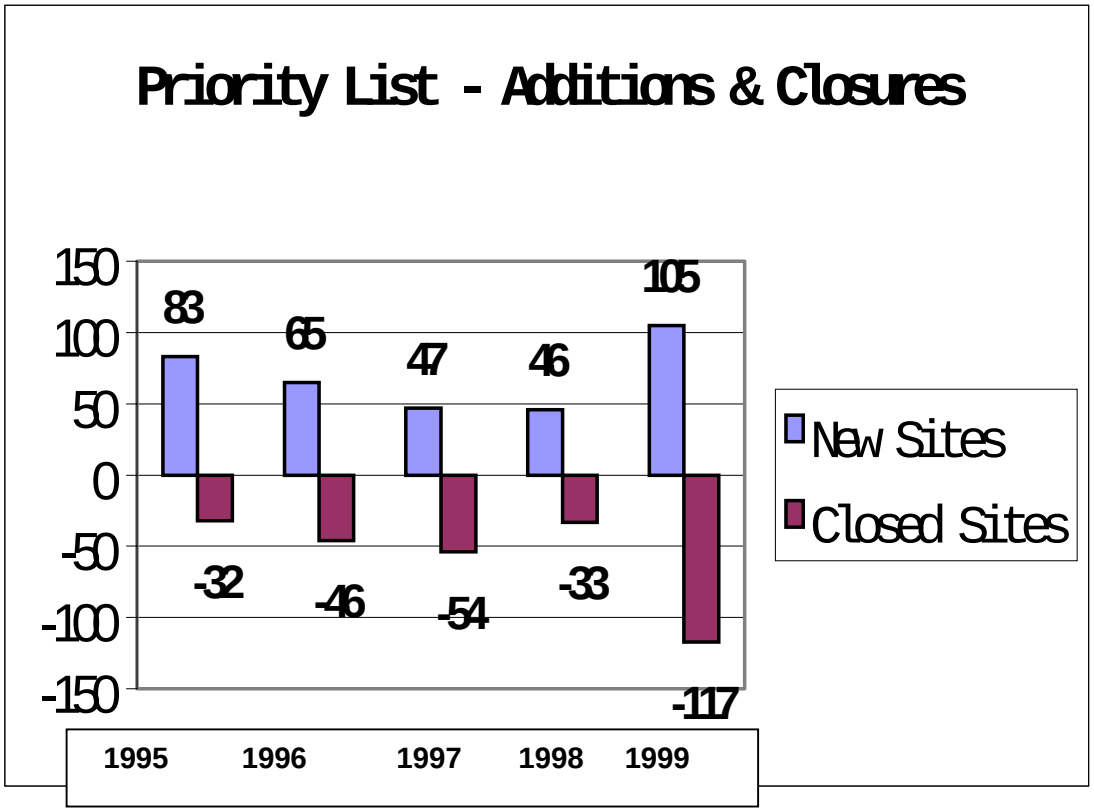


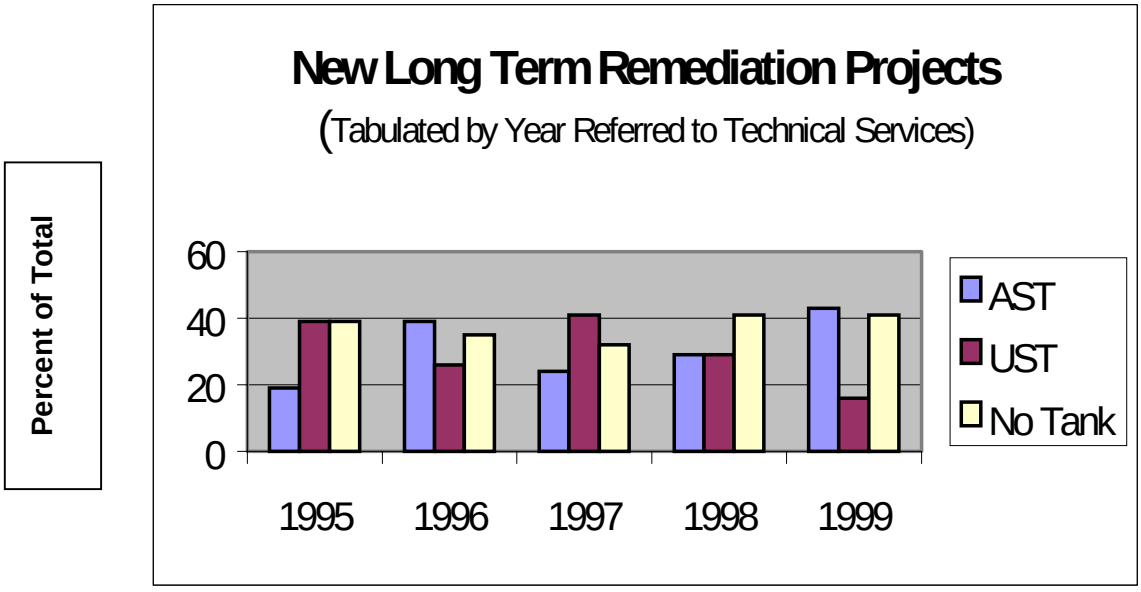
Figure 11 below illustrates the additions and removals through calendar year 1999.

Figure 11



Also as with emergency response actions, the profile of new long-term remediation cases has changed. ASTs represent an increasing portion of new sites on a quantitative basis as indicated in Figure 12 below.

Figure 12



1. Above ground petroleum storage tank (AST)
2. Underground petroleum storage tank (UST)
3. Non-tank related spills such as transportation related releases

However, USTs still constitute approximately half of the sites on the Priority List. Moreover, since ASTs often include small heating oil tanks which are cheaper to remediate, the majority of clean-up expenses associated with long-term remediation involve gasoline from USTs. Indeed, some of these cases continue to drive clean-up costs upward. For example, one UST installed in 1998 recently released approximately 6000 gallons of gasoline threatening nearby private drinking water sources and triggering more than $920,000 in clean-up costs thus far.

Past efforts to decrease the backlog of sites have focussed more on the efficiency of the processes related to the implementation of the investigation and remediation of long-term petroleum remediation sites.

Some examples include:

- development of a field screening methodology for oil contaminated soils
- establishment of risk based clean-up guidelines
- efforts to determine the most efficient mix of doing work in-house and contracting work to outside consultants
- efforts to speed up the State contracting process, including the development and refinement of a pre-qualified contractor selection process
- experimentation with innovative engineered remediation options
- experimentation with cluster contracts
- use of a contractor on retainer to serve northern Maine

Each of these efforts has been successful, to varying degrees, in improving efficiency and making better use of existing resources. Indeed, the average costs of clean-ups in Maine compare very favorably to costs experienced in other states in annual surveys performed by state fund administrators and other sources. However, they alone have not been sufficient to cause a significant net decrease in the number of sites on the Priority List.

Accelerated Clean-up and Prevention Program Recommendations

In order to increase the site closure rate and minimize new additions, the Department has considered methods to employ and has developed the following list of options focussed at both improving the efficiency of the use of existing staff and financial resources as well as expanded staff and financial resources. In approaching the backlog, the Priority List can be thought of as consisting of two categories of sites. The first category consists of sites where site remediation is completed or is substantially completed, but a number of activities still must be performed to close them out. These sites are now a lower priority from a risk perspective, but can be removed from the Priority List with relative ease. The second category of sites consist of those where site remediation is not substantially complete, thus significant contamination may remain. These sites represent a larger risk, but require more time and resources to close. The Department is recommending activities to cover both categories of sites.

1. Closure of substantially completed projects. This is an effort partially underway and has accounted for the decrease in sites on the Priority List as discussed earlier in the report. In the first phase, a contractor has been hired to identify sites that have been largely completed with the exception of minor amounts of work, such as the completion of final post remediation sampling. Approximately sixty (60) such sites have been identified. Completion of this project is underway and should result in the closure of these sites by December 31, 2000.

In the second phase, we would contract for services to focus on those sites where remediation is also substantially complete, but where more work must be performed than at sites identified in the first phase. Such work would include contaminated well abandonment and/or a period of monitoring to ensure clean-up conducted to date was successful. We estimate approximately one hundred forty (140) such sites may fall into this category.

Overseeing the second phase would require reassignment of a portion of an existing staff engineer position. This position would manage the project, focussing efforts on the hiring and oversight of a contractor. This plan assumes that, other than the project manager's time, only a minimal amount of other staff time would be needed by the consultant in order to complete the work.

2. Addressing the greatest backlog. The Eastern Maine Regional Office (EMRO), located in Bangor, is responsible for remediation sites in eastern and northern Maine and is inadequately staffed for the workload it faces. This regional office has the greatest proportion of the backlog and the largest geographical area. During 1999, the Department was unable to work on fifty-seven percent (57%) of the sites on the Priority

List in this region, which includes the northern half of the State. Figure 13 below reflects the assignment of priority sites among the regions within the Department.

Figure 13

Priority List Regional Profile

DEP Regional Office	% of sites on Priority List	% of sites in region not addressed in 1999
CMRO	47%	28%
EMRO/NMRO	36%	57%
SMRO	17%	11%

* CMRO sites include 30 remedial projects located throughout the state that are assigned to the Division of Remediation due to the scope of clean-up activity (i.e., construction of public water supply in Tenants Harbor).

The EMRO/NMRO region has the largest portion of the backlog due to:

- there being only one (1) geologist in the region who performs project manager functions in addition to technical/analytical work
- the size of the territory and the distance between sites
- the large number of sites which warrant more stringent clean-up due to lack of existing public water supplies as an alternative water supply source remedy.

Significant inroads in decreasing the backlog in this region can be made through a combination of increased technical and project management staff and in contracted services. A senior geologist to investigate the scope and clean-up needs of more sites and a project manager experienced in ground water remediation and contract management would improve the technical support and reduce the existing and anticipated case load to a more reasonable twenty-five to thirty (25 to 30) sites per manager.

3. Reducing the number of new sites added to the backlog. The above options focus on completing existing sites. To further minimize the number and consequences of new releases, the Department is focussing on five areas. The first area is ensuring that USTs are operated and maintained properly. Under the existing UST rules, the principal mechanism for providing such assurance is the annual inspection requirement, where important tank system features such as leak detection and overfill protection must be checked, maintained, and repaired or replaced if found defective. However, based upon a recent survey of facilities conducted by a consultant to the Department, approximately one-quarter of the facilities surveyed had not conducted the required inspection. Moreover, where inspections were conducted, twenty-nine percent (29%) of

the facilities discovered problems with their system but over one-third of these problems were not remedied as currently required. Substantially improved maintenance practices are needed.

Given the limited ability of the Department to increase the frequency of its UST inspections, the Department is exploring an innovative approach already adopted in some states that would rely upon greater involvement by the private sector. Specifically, the Department would work in cooperation with the Board of Underground Storage Tank Installers (BUSTI) to expand the pool of qualified persons who can conduct annual inspections; and then subsequently require submission of an annual certification by a qualified inspector that equipment at a facility is properly installed and operational. Upon submission of the proper certification, the Department would issue a tag or label to be displayed to receive fuel deliveries after a certain date. In this approach, the private sector, through the qualified inspectors and fuel deliverers, becomes an integral part of the UST program framework.

Second, the Department seeks to minimize the environmental and economic consequences of UST releases. A recent analysis conducted by the Department indicated that the vast majority (nearly ninety percent (90%)) of the sites on the Long-Term Remediation Priority List are located in sensitive geologic areas (i.e., near public or private drinking water supplies). Moreover, some of these sites can be disproportionately expensive to remediate, particularly where significant water supplies must be replaced. Therefore, release location strongly dictates both the potential exposure to nearby residents as well as the associated burden on the Fund. A case in point is the village of Oquossoc, in Rangeley, where twelve (12) properties, including private homes and businesses, rely on individual water filters until the permanent solution of two public wells is in place. The total cost of the project is expected to be in excess of $1,000,000.00, largely due to the sensitivity of the geology and the distance from the two new wells to the users.

Unfortunately, in reviewing recent siting information provided on UST registration forms, the Department found that over forty percent (40%) of the new UST facilities installed since January 1, 1995 are located in sensitive geologic areas. Indeed, some of these facilities have already leaked since their installation, incurring approximately $1,700,000.00 in Fund remediation expenses to date.

Under existing law, the Department lacks the statutory authority to set UST siting standards. However, given the importance of protecting water supplies, the authority already granted to the Department to set siting standards for other potential ground water pollution sources, and the adverse consequences to the Fund of failing to influence siting decisions, the Department is considering seeking statutory authority to set siting standards through a rulemaking process involving all interested parties.

Third, while the vast majority of bare steel USTs has been removed according to statutory deadlines that expired several years ago, approximately two hundred seventy-five (275) mostly residential tanks remain in the ground and are potentially in use. These tanks represent an enforcement challenge that would greatly benefit from a statutory prohibition against the delivery of product to these tanks by a date certain. The Department is considering proposing legislation that includes this statutory prohibition.

Fourth, the Department has initiated the review requested by the Legislature of the Fund role as an insurance mechanism to satisfy applicable federal and state financial responsibility requirements. A consultant with expertise in the area was retained to assist in this effort. As part of the review, the Department will be evaluating available alternatives to the Fund, including but not limited to various mechanisms for relying upon private insurance in whole or in part. Among the factors included in the evaluation will be whether the alternatives will provide increased incentives to minimize environmental releases. This report will be submitted to the Legislature by May 15, 2001.

Finally, also at the request of the Legislature, the Department convened a task force to review the adequacy of current efforts to minimize releases from ASTs. Specifically, the task force is evaluating the current jurisdictional framework governing ASTs to determine whether the correct agencies are in charge, the adequacy of state agency resources currently devoted to the AST programs, and the adequacy of existing AST requirements. A report on large field-constructed ASTs will be provided to the Legislature by March 1, 2001, and a report on the remaining ASTs will be submitted by January 2002.

Individual above ground home heating oil tanks and piping pose a particularly challenging problem. A combination of encouraging the use of better technology and education of homeowners and oil distributor personnel may help reduce the rate of one leak per day that is currently reported to the Department. The number of these tanks in Maine, an estimated two hundred fifty thousand (250,000), makes it unreasonable to expect to limit their location or greatly reduce the number of leaks from this source in the next four (4) fiscal years. Tank and piping replacement and education efforts should continue focussing on sensitive geologic areas likely to require long-term remediation in the event of a spill and on low income individuals with substandard storage tanks.

In terms of proactive pollution prevention efforts on this front, the Department would like to exercise the full authority of $2,500,000.00 granted to the AST Program during the last legislative session. The current financial situation with the Fund warranted restricting AST Program funding to $1,000,000.00. This increase in the Program would allow approximately fifteen hundred (1500) additional heating oil storage tanks to be replaced on an annual basis, thus eliminating the threat of spills from these tanks.

Other Recommendations

In addition to the clean-up activity recommendations described previously, the Department proposes several additional recommendations to improve the health of the Fund and the various programs which it supports.

Minimum Fund Balance for Chapter 4 Oil Import Fees

Currently, the surcharge allowed under FIRB rule Chapter 4 Oil Import Fees may not be activated until the Fund balance drops to $3,000,000.00. This minimum balance is too low given that it was set in 1995 and does not reflect the increase in status quo remediation expenses, an adjustment factor for inflation, or the AST Program. On average, the Department expends nearly $1,200,000.00 monthly and, when the surcharge is imposed, the additional revenue is not received for four (4) months due to the fee increase notification requirements and the reporting and fee submission cycle. As revenue is received at a rate lower than expenditures, the Fund balance continues to erode.

Prudent financial management would dictate that, given the lag time in receipt of additional fees, a minimum balance equal to four (4) months of expenses, or $4,600,000.00, be adopted. Additionally, an inflationary adjustment is in order.

Therefore, the Department recommends that Chapter 4 Oil Import Fees be revised to increase the “trigger limits” from the current $3,000,000.00 and $5,000,000.00 to $5,000,000.00 and $7,000,000.00 respectively. This would allow the surcharge to be “turned on” when the balance drops to $5,000,000.00 and “turned off” when the Fund balance reaches $7,000,000.00.

Other Staffing and Personal Services Adjustments

In terms of an accelerated clean-up program, it is estimated that approximately fifty percent (50%) of staff time for personnel costs, will be required to administer the recommendations regarding the closure of substantially completed sites discussed above. This can be accommodated through use of existing staff resources after the contractual work for the sixty (60) substantially closed sites is completed later this year. The cost of this projected to be $37,500.00 annually.

In order to close the sixty (60) to ninety (90) sites in the Eastern Maine Regional Office, two (2) positions, a senior geologist and a project manager, are needed. The annual costs for these two positions is $120,000.00.

Total staff costs for this recommendation are projected at $157,500.00.

To offset this increase and to better correlate Fund disbursements with petroleum clean-up expenses, the Department proposes to support only one (1) of the three (3) Geographic Information Systems (GIS) positions now supported by the Fund. As mentioned previously, in 1998 the Department invested heavily in the utilization of GIS, primarily in the ground water program, and established three (3) temporary positions. This has proven to be a wise investment demonstrated by advanced capabilities to generate maps and allow public access to the data. Additionally, significant staff time has been saved through the production of these maps which allow staff to better plan the scope and time commitments of their projects.

The merits of GIS having been proven, other Department programs have begun to include this technique and, therefore, a sharing of the existing resource is warranted. As a result, the Department is moving the remaining two (2) positions to other funding sources effective July 2001. Annual savings through funding only one (1) GIS position is approximately $82,000.00.

In addition, the Department proposes to provide support for only one (1) of the two (2) Assistant Attorney General positions now paid by the Fund. The other should be supported by the Uncontrolled Sites Fund due to the increased workload in that area. While this funding is now accomplished through a transfer of All Other funds, it represents a savings to the Fund of approximately $85,000.000 annually.

The net decrease in demand on the Fund resulting from these reductions, through direct Personal Services adjustments and the elimination of some transfers is $167,000.00. Therefore, adoption of the combined staffing recommendations would result in an increase of about $75,000.00 in Personal Services, but an overall reduction in demand on the Fund of about $10,000.00 annually.

The Department believes that it can accommodate an increase in Personal Services expenditures and contain those expenditures within the statutory maximum specified in 38 MRSA 569-A (8). This section established a baseline Personal Services maximum of $2,250,000.00 in 1998 and provides an annual adjustment factor of four percent (4%) beginning in 1999. This authority has been sufficient to meet the staffing needs of the programs which are supported by the Fund. It must be noted, however, that the current labor relations agreement between the state and the Maine State Employees' Association (MSEA) will expire on June 30, 2001. It is anticipated that a succeeding agreement will include a provision for some form of salary increase during its effective period. The impact of any such agreement on the Personal Services portion of the Fund is impossible to predict at this point.

Additionally, the impact of the previously-mentioned automated time accounting system will allow the Department to better track staff time spent on Fund-related efforts. Likewise, the impact of this system on the Fund is not known at this time.

Contingency for Extraordinary Expenditures

Through the commercial UST loan program which FAME continues to administer, it is anticipated that loans will be repaid to the program on an annual basis, providing additional potential revenue. These funds should be held as a contingency for extraordinary remediation expenses, unanticipated revenue losses (i.e. sharp decline in use of #6 fuel oil due to a shift to natural gas), inflation adjustments, and for any other loan programs which may be implemented as a result of statutory or rule changes. This contingency may also be used to partially support full funding for the AST Program, as discussed in the next section of this report.

Income Adequacy

Maintaining the Status Quo

During the three-year period the adequacy of revenue has changed dramatically. In FY98 revenue was more than $2,000,000.00 greater than expenses. In FY99, revenue was $200,000.00 greater than expenses. In FY00, revenue was $3,000,000.00 less than expenses, creating a major structural deficit.

In order to offset the resources needed to establish the AST Program, in 1999 the Fund received from the Maine State Housing Authority $1,895,641.92 when MSHA ended its residential UST loan program. Had this sum not been received the Fund would have had a deficit of nearly $1,700,000.00 in FY99.

In FY00, the FIRB returned $1,000,000.00 to the Fund in December. In spite of this, the Fund balance dropped below $3,000,000.00 in March. This triggered the surcharge allowed under FIRB rule Chapter 4 Oil Import Fees in May of 2000. Had the FIRB return not occurred the Fund would have ended the year with an even greater deficit, though the balance would have dropped below $3,000,000.00 two months sooner, thereby triggering the surcharge two months sooner.

Expenditures are increasing at a rate greater than that for revenue and, while one-time infusions of cash provide more revenue with which to work, they are unable to sustain all the various programs which the Fund supports.

After the completion of the current site closure finalization contract in December, the number of sites on the Priority List is expected to resume the trend of a steady rate of increases greater than closures without implementation of the recommendations for accelerated clean-up contained in this report.

Significantly, there are economic consequences associated with delaying remediation activities. At the current 356 sites which await remedial action, the Department monitors and samples more than seven hundred (700) private water supplies on a quarterly basis. Monitoring and sampling costs average slightly more than $1,000.00 annually per well sampled. These costs totaled nearly $750,000.00 in FY99 alone and will increase in the future. At the Torrey Hill site in Buxton, the wells of eleven (11) properties have been contaminated by leaking USTs and more than $20,000.00 is spent annually on filters and monitoring to provide useable water until a more permanent solution can be put in place.

Filters and monitoring are only stopgap measures. There are other financial and non-financial consequences from delays in addressing contamination. These include:

- expanding ground water contamination plumes which can increase both the number of affected water supplies and the overall clean-up costs
- difficulty in selling or inability to sell property
- loss of property value affecting property owners and the municipal tax base
- increased interim and final remedy costs due to inflation

The Department has projected that terminal fee actual or net revenue (total revenue minus fee refunds) into the Fund in FY01 will be approximately $12,462,000.00. Assuming that this revenue source accounts for approximately ninety percent (90%) of total revenue, which is the average actual revenue for the last three years, the Fund should receive total income of approximately $13,846,667.00 in FY01.

For the current fiscal year, the cost of Personal Services is projected to be approximately $2,530,944.00. Applying an increase of two and one-half percent (2.5%), which is the average increase during the three-year period, to actual or net All Other expenditures, excluding fee refunds, the projection for All Other expenditures is $12,269,339.00, for a combined total of $14,800,283.00. Capital budget expenditures of $255,500.00[3] are projected at this juncture, raising the total to $15,055,783.00. This creates a projected structural deficit of $1,209,116.00 in FY01.

The FY01 structural deficit was addressed to some extent by the FIRB return of $2,000,000.00 to the Fund at its July 2000 meeting. However, the Fund will be expending some extraordinarily large sums for several extensive water supply replacement systems in communities or villages such as Oquossoc, Tenants Harbor, and Spruce Head. It is expected that nearly $4,000,000.00 in such expenditures will be made by June of 2002, with nearly half of this expended by spring of 2001. Moreover, due to the current financial situation with the Fund, the Department has delayed action on approximately $500,000.00 of long-term remediation work. Finally, the loan repayments which accrue at FAME may be called upon to finance upgrades in UST systems depending on the results and follow-up activities associated with an ongoing review of cathodic protection systems currently underway. For these reasons, it would be prudent for the Legislature to consider the funds at FAME as a resource to finance future extraordinary expenses when needed and/or to partially fund the AST Program to the full extent authorized.

[3] Capital expenditures during the current and future fiscal years are anticipated to be greater than those in the recent past because of increased costs associated with building construction projects at EMRO and CMRO.

Accelerated Clean-up Program

A contract to address the approximate one hundred forty (140) substantially completed sites is estimated to cost $315,000.00 to $402,500.00 for closures resulting in the location of an alternate water supply. An additional one-time $300,000.00 expenditure would be required for sites requiring long-term point-of-entry treatment. These long-term point-of-entry treatment solutions will also involve unquantifiable settlements for property damage and loss of income if a business is involved.

The estimated total cost of completing the additional closure of sites through staff additions in the EMRO is projected to be in the range of $1,794,000.00 to $2,686,400.00, based on site-specific staff estimates for these sites. When spread over a four year period, the annual contractual costs range from $448,500.00 to $671,600.00 for sixty (60) to ninety (90) sites, respectively.

All of these estimates exclude any Third Party Damage Claims awarded for the loss of property or the loss of income in the case of a business allowed through the insurance program of the Fund.

Full Funding for the AST Program

As stated previously, the Department has exercised caution in the funding of this program given the current situation with the Fund. A fully funded program, at $2,500,000.00, would allow for replacement of approximately twenty-five hundred 2500 home heating oil storage tanks. Given that the average cost of a remediation project is approximately $5,000.00[4], it is cost effective to replace substandard tanks at an average cost of $1,000.00 each.

Revenue Adjustment

For the purposes of estimating revenue needs in FY02, the Department has identified three (3) scenarios:

- removing the existing structural deficit;
- removing the existing structural deficit and accelerating the clean-up program; and
- removing the existing structural deficit, accelerating the clean-up program, and fully funding the AST Program

[4] Based on an average of 1995-1998 clean-up costs for above ground home heating oil system discharges – from the Department study entitled Above Ground Home Heating Oil Tank and Piping Upgrade Pilot Project: A Report to the Maine Fund Insurance Review Board

The Department cannot precisely project either revenues or expenditures into the future. We have based the FY02 projections for each of the scenarios on the same revenues as anticipated in FY01, and increased expenses by two and one-half percent (2.5%) over projected FY01 expenditures.

The projections for FY02 and future years do not fully take into account changes in petroleum imports, inflation, collective bargaining, and other variables.

Also, the Department recognizes funds accrued at FAME as a potential source of relief in all three scenarios. However, for the purposes of this exercise, the Department has not factored these funds as available for the routine operational aspects of Fund activities. It is desired that these funds be available for extraordinary remediation costs, for future loan programs, or possibly for partial funding of the AST Program. Consequently, the Department has calculated revenue adjustments to the current per barrel fees required for each of the above scenarios. An increase in the per barrel fee on #6 fuel oil was not considered because of an unquantifiable anticipated decrease in demand on this source.

Scenario #1 is a structural deficit projected at $1,209,116.00. This is based on funding of the AST Program at the current level of $1,000,000.00. In order to close this structural deficit, a per barrel increase of $.06 for gasoline and a per barrel increase of $.03 for other refined petroleum products is required;

Scenario #2 is the structural deficit of $1,209,116.00, combined with the accelerated clean-up program at $920,000.00 for the approximately one hundred forty (140) substantially complete sites and for the increased clean-up activity in the EMRO, and an AST Program funded at the current level of $1,000,000.00. This scenario totals $2,389,270.00 and would require a per barrel increase over Scenario #1 of $.04 for gasoline and a per barrel increase of $.02 for other refined petroleum products; and

Scenario #3 is the structural deficit of $1,209,116.00, combined with the accelerated clean-up program at $920,000.00 for the approximately one hundred forty (140) substantially complete sites and for the increased clean-up activity in the EMRO, and the $1,500,000.00 needed to attain full funding of the AST Program of $2,500,000.00. This scenario totals $3,889,270.00 and would require a per barrel increase over Scenario #2 of $.06 for gasoline and a per barrel increase of $.03 for other refined petroleum products.

Figure 14 below is a table which illustrates the current per barrel fee structure and the increase required for each of the above scenarios:

Figure 14

	GASOLINE	OTHER PETROLEUM PRODUCTS
Current base fees	$.38	$.19
Base plus surcharge[5]	$.48	$.24
Scenario #1	$.54	$.27
Scenario #2	$.58	$.29
Scenario #3	$.64	$.32

The Department recommends that any adjustment in fees be made to the surcharge fees as opposed to the base fees. In this way, these increases would be regulated according to the minimum and maximum Fund balance "trigger limits" suggested previously.

[5] Current fee level (surcharge in effect)

APPENDIX

Terms and Definitions

AST – Aboveground Storage Tank

AST Program – a program within the Ground Water Oil Clean-up Fund which provides for replacement of ASTs based on location or income eligibility

BUSTI – the Board of Underground Storage Tank Installers

CMRO – the DEP Central Maine Regional Office - located in Augusta

EMRO – the DEP Eastern Maine Regional Office - located in Bangor

FAME – the Finance Authority of Maine

FIRB – the Fund Insurance Review Board

GIS – Geographic Information Systems

MSEA – the Maine State Employees Association

MSHA – the Maine State Housing Authority

NMRO – the DEP Northern Maine Regional Office - located in Presque Isle

OSFM – the Office of the State Fire Marshal

SMRO – the DEP Southern Maine Regional Office - located in Portland

UST – Underground Storage Tank

PUBLIC LAWS OF MAINE
Second Regular Session of the 119th

CHAPTER 714
H.P. 1731 - L.D. 2437

An Act Regarding Oil Storage Facilities and Groundwater Protection

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 32 MRSA §10015, sub-§6 is enacted to read:

6. Limitation of actions. An action by the board against a certified person for any violation of this chapter relating to a tank or equipment installed on or after September 16, 1991 must be commenced within 3 years after the violation is discovered, but the action may not be commenced more than 15 years after installation of the storage tank or equipment that is the subject of the violation.

Sec. 2. Aboveground oil storage tanks; review. The Department of Environmental Protection shall convene a task force by September 1, 2000 to review the current framework for regulating aboveground oil storage tanks. The task force must include, at a minimum, members representing the department; the Department of Public Safety, the Office of the State Fire Marshal; the Oil and Solid Fuel Board; and the regulated community. The task force shall evaluate and make recommendations on the following: whether the resources to properly regulate aboveground oil storage tanks exist; whether the correct agencies are in charge of regulating aboveground oil storage tanks; and whether the requirements relating to aboveground oil storage tanks are adequate. The task force shall submit an initial report on field-constructed bulk storage tanks by March 1, 2001 and a final report on aboveground oil storage tanks by January 2, 2002 to the joint standing committee of the Legislature having jurisdiction over natural resources matters.

Sec. 3. Groundwater clean-up insurance; review. The Department of Environmental Protection shall review the insurance coverage available for cleanup of prohibited discharges of oil. In conducting its review, the department shall consider the following issues: the appropriateness of deductible amounts required for coverage by the state insurance fund; the appropriateness of the sources of funding for the state insurance fund; the appropriateness of coverage under the state insurance program; the exclusion of certain entities having a connection with an oil refinery from eligibility for coverage under the fund; the availability of private liability insurance for underground oil storage facilities; and other alternative mechanisms for providing financial assurance. The department may employ the services of a consultant in conducting its review. The department shall submit a report by May 15, 2001 to the joint standing committee of the Legislature having jurisdiction over natural resources matters with its findings and any recommendations.

Sec. 4. Ground Water Oil Clean-up Fund; review. The Department of Environmental Protection shall conduct a review of the Ground Water Oil Clean-up Fund, established in the Maine Revised Statutes, Title 38, section 569-B. In conducting its review, the department shall undertake a detailed budgetary analysis of the sources of funding for and the disbursement of money from the Ground Water Oil Clean-up Fund, including the use of money in the fund for department staff costs and for expenditures not directly related to the department's groundwater clean-up program and shall consider the following issues: whether certain disbursements from the fund should be paid for from other funds; whether income to the fund is sufficient to cover the need for disbursements from the fund; and the adequacy of the funding of clean-up activities. The department shall submit a report by December 15, 2000 to the joint standing committee of the Legislature having jurisdiction over natural resources matters with its findings and recommendations, including recommendations on

how to accelerate clean-up activities and improve progress on addressing the backlog of remediation projects and any changes to the fund necessary to accomplish this task. Prior to submitting its final report, the department shall submit a draft to the Fund Insurance Review Board for review.

Sec. 5. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

	2000-01
ENVIRONMENTAL PROTECTION, DEPARTMENT OF	
Remediation and Waste Management	
All Other	$95,000

Allocates additional funds for the Ground Water Oil Clean-up Fund to cover certain facilitation and study costs.

Listing of Positions in the Department of Environmental Protection which are Funded Directly from the Ground Water Oil Clean-up Fund

DIVISION	UNIT	CLASS/TITLE
OIL AND HAZ WASTE	TANK INSTALLER CERTIFICATION	ENVIRONMENTAL SPECIALIST
OIL AND HAZ WASTE	TANK INSTALLER CERTIFICATION	CLERK TYPIST
OIL AND HAZ WASTE	OIL ENFORCEMENT	SEASONAL CONSERVATION AIDE
OIL AND HAZ WASTE	OIL ENFORCEMENT	ENVIRONMENTAL SPECIALIST
OIL AND HAZ WASTE	OIL ENFORCEMENT	ENVIRONMENTAL SPECIALIST
OIL AND HAZ WASTE	OIL ENFORCEMENT	ENVIRONMENTAL SPECIALIST
OIL AND HAZ WASTE	CLAIMS	ENVIRONMENTAL SPECIALIST
OIL AND HAZ WASTE	CLAIMS	ENVIRONMENTAL SPECIALIST
OIL AND HAZ WASTE	CLAIMS	ENVIRONMENTAL SPECIALIST
REMEDIATION	REMEDIAL PLANNING	ENVIRONMENTAL SPECIALIST
REMEDIATION	REMEDIAL PLANNING	ENVIRONMENTAL SPECIALIST
TECHNICAL SERVICES	GEOLOGY	SR GEOLOGIST
TECHNICAL SERVICES		DIVISION DIRECTOR
TECHNICAL SERVICES	ENGINEERING	ENGINEER MGR
TECHNICAL SERVICES	ENGINEERING	ENVIRONMENTAL SPECIALIST
TECHNICAL SERVICES	ENGINEERING	ENVIR. ENGINEER
TECHNICAL SERVICES	ENGINEERING/BANGOR	ENVIR ENGINEER
TECHNICAL SERVICES	ENGINEERING/PORTLAND	ENVIR. ENGINEER
TECHNICAL SERVICES	GEOLOGY	HYDROGEOLOGIST
TECHNICAL SERVICES	GEOLOGY	CERT. GEOLOGIST
TECHNICAL SERVICES	GEOLOGY/BANGOR	CERT. GEOLOGIST
TECHNICAL SERVICES	GEOLOGY/PORTLAND	CERT. GEOLOGIST

PROGRAM SERVICES	FINANCE	CONSERVATION AIDE
PROGRAM SERVICES	ADMINISTRATION	CLERK IV
PROGRAM SERVICES	ADMINISTRATION	CLERK TYPIST
PROGRAM SERVICES	DATA MANAGEMENT	DATA ENTRY SPECIALIST
PROGRAM SERVICES	DATA MANAGEMENT	CLERK TYPIST
RESPONSE SERVICES	FIELD SERV/PORTLAND	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/PORTLAND	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/PORTLAND	OIL & HAZ SPECIALIST
RESPONSE SERVICES	CONTINGENCY PLANNING	ENVIRONMENTAL SPECIALIST
RESPONSE SERVICES	FIELD SERV/AUGUSTA	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/AUGUSTA	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/AUGUSTA	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/PRESQUE ISLE	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/BANGOR	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/BANGOR	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/BANGOR	OIL & HAZ SPECIALIST
RESPONSE SERVICES	FIELD SERV/BANGOR	MAINTENANCE MECHANIC
RESPONSE SERVICES	HEALTH, SAFETY, TRAINING	DEVELOPMENT SPECIALIST
GEOGRAPHIC INFO SYSTEMS	GIS	GIS COORDINATOR
GEOGRAPHIC INFO SYSTEMS	GIS	GIS COORDINATOR
GEOGRAPHIC INFO SYSTEMS	GIS	PROGRAM ANALYST

Long-Term Remediation Priority List (as of June 30, 2000)

MUNICIPALITY	SPILL NUMBER	PROPERTY INVOLVED
Addison	B-347-94	Tomasik
Allagash	I-073-97	Pelletier
Amherst	B-251-95	Amherst General Store
Amherst	B-026-87	Drew
Ashland	I-108-96	O'Clair
Ashland	I-011-95	Clark
Athens	B-643-98	Butterfield
Athens	B-016-89	C N Brown
Atkinson Corners	B-047-86	Snow's Garage
Augusta	A-040-00	Old Belgrade Rd Sp
Augusta	A-098-96	VanHorne/Aube
Augusta	A-331-97	Locsin
Augusta	A-228-90	Irving Mainway
Baileyville	B-186-94	Scottway Oil
Belfast	A-086-91	Bryant's Corner
Belfast	A-503-94	Bowen
Belfast	A-646-91	Consumers Fuel Co.
Belgrade	A-243-98	Double D'S
Belgrade	A-198-00	Brooks
Belgrade	A-025-00	Bolduc
Belmont	A-064-87	Maritime Farm/B&L Stone
Belmont	A-060-98	Coughlin
Bethel	P-438-93	Brown's Mobil
Bethel	P-446-92	Red Top Diner
Biddeford	P-436-98	Lamontagne Oil/ Lessard
Blue Hill	B-576-96	Meyer
Boothbay	A-643-99	Phil Billard
Boothbay	A-074-00	MTBE Mystery Spill
Boothbay	A-166-99	Rebecca Stoddard
Boothbay	P-073-83	Practical Mechanics
Bridgeton	P-212-88	Johnson's Garage

Bridgewater	I-058-89	Corner Store
Bristol	A-652-99	St Pierre
Brunswick	p-347-99	Shvanda
Bucksport	B-753-94	Jacques
Burnham	A-161-98	Patterson's Store
Buxton	P-217-98	Torrey Hill
Buxton	P-797-89	Groveville Service Center
Buxton	P-407-00	Dearborn
Buxton (Bar Mills)	P-003-88	Smith's Store II
Canton	A-098-99	Antonelli
Cape Elizabeth	P-191-93	Cape Elizabeth Irving
Caribou	I-206-91	Martin's Country Store
Caribou	I-050-00	Phil Bosse
Caribou	I-157-92	MacElwain
Caribou	I-193-91	Office Park
Caribou	I-108-95	Lloyd
Carmel	B-074-97	Fannie Mae/Village
Carmel	B-269-92	DOT
Carthage	A-202-99	Horracks
Casco	P-596-92	Crossroads Country St.
Chelsea	A-447-95	Kennebec Quick Stop
Chelsea	A-441-99	Dave's Auto
Chelsea	A-142-99	Beeckel
Cherryfield	B-416-98	Smith's Market
Cherryfield	B-594-98	Wilcox
Cherryfield	B-685-99	Barney Smith
China	A-171-85	S&M Market
China	A-121-98	Grommet
Coburn Gore	A-179-89	LaBonte's
Corinth	B-437-98	AG Yankee Grocer-Bakery
Corinth	B-004-85	Craig Apt.
Cornville	A-149-99	Hudson
Cranberry Isles	B-168-00	Fred Day
Damariscotta	A-697-98	Helgerson
Deblois	B-263-94	Wyman
Dexter	B-087-81	Lester Wyman
Dixmont	B-359-91	Johnson

Dover	B-067-98	Dave Thomas
East Sebago	P-609-91	Shea's Auto
Eagle Lake	I-154-97	Bald Eagle Store
East Corinth	B-436-99	AE Robinson's Mobil Mart
East Holden	B-353-92	Miller's General Store
East Lowell	B-323-00	Fox General Store
Easton	I-068-96	Fitzherbert
Easton	I-176-92	Wilcox
Easton	I-026-94	Tompkins
Easton	I-090-95	Kana Oil
Easton Center	I-031-96	Barker
Edgecomb	A-445-88	Anderson Residence
Edgecomb	A-98-00	Sheepscot River Pottery
Edgecomb	A-335-97	Bagel Express
Ellsworth	B-386-91	Extension Service
Ellsworth	B-580-92	Ellsworth Falls
Enfield	B-249-96	Town Office
Enfield	B-692-93	Ruggiero
Enfield	B-027-93	Irving/Severance
Enfield	B-089-90	Getty
Eustis	A-646-99	Kern's Inn
Fairfield	A-463-93	Bessey
Fairfield	A-227-00	Cook
Fairfield	A-229-97	Fairfield Puffin Stop
Farmington	A-589-94	J.J's Variety
Fayette	A-567-98	Ritchardson
Fort Fairfield	I-097-95	Thompson
Frankfort	B-355-98	Frankfort General Store
Freedom	A-062-00	Garnett
Freeport	P-417-97	Giles
Freeport	P-460-88	Pantry, 128 Main Street
Freeport	P-343-98	Orcott
Freeport	P-176-00	Ulrickson
Friendship	A-583-99	Winchenpaw
Fryeburg	P-497-89	Pete's Garage
Fryeburg	P-340-98	Hatch
Georgetown	P-652-98	Robin Hood Marina

Glenburn	B-570-95	Glenhome
Glenburn	B-590-99	Village Variety
Glenburn	B-566-92	Alma Johnson
Gorham	P-495-98	Blackbrook Road (Wyman's)
Gorham	P-570-98	Bear Run (Turner)
Gorham	P-020-98	Chase
Gorham	P-635-98	Swan
Gouldsboro	B-103-93	Dyer/Robinson
Grand Isle	I-019-99	Gendreau
Greene	A-488-93	Town
Greenfield	B-109-94	Costigan
Guilford	B-110-88	Reardon
Hampden	B-593-97	4 Seasons Gen. Store
Hampden	B-193-93	Coldbrook Energy
Harpswell	P-501-86	Bailey's Store
Harpswell	P-324-00	Muir
Harpswell	P-597-97	Logan
Harpswell	A-247-99	Ouellette
Harpswell	P-970-95	Sperry
Harpswell (Bailey Island)	P-338-96	Chaplin
Harpswell (Orr's Island)	P-180-92	Lowell Cove (Brown)
Harrington	B-695-94	Kertis
Hermon	B-515-90	BAR
Hodgdon	I-056-95	Small
Hodgdon	I-021-98	Quint
Holden	B-442-97	Country Squire
Hollis	P-373-92	Mark's Alignment
Houlton	I-188-92	Ken's Store
Houlton	I-037-84	Carmichael
Houlton	I-079-95	State Police Barracks
Jackman	B-747-94	Getty
Jonesport	B-676-93	Carver
Jonesport	B-625-94	Jonesport by the Sea
Kennebunk	P-208-99	Cutler Rental AST
Kennebunk	P-360-98	Durrell
Lagrange	B-171-87	LaPizza

Lagrange	B-715-93	D&M Citgo
Lebanon	P-396-98	O'Brian
Lee	B-112-89	Hillman
Lee	B-443-95	Mt. Jefferson Jr. High
Lee	B-598-97	Drake's Store
Leeds	A-570-99	LaBonte
Leeds	A-060-97	Twin Bridge Market
Leeds	A-404-94	Michelle Cooper
Levant	B-099-84	NE Whitney
Lewiston	P-273-95	Christy's
Limestone	I-123-95	West Gate One Stop
Limestone	I-080-92	Cliff Padlen
Limestone	I-012-92	Dioron
Limestone	I-028-98	Perkins
Limestone	I-051-94	Peter Cuff
Limestone	I-038-94	Library
Limington	P-015-87	R&S Variety Store
Limington	P-191-99	Limington Town Hall
Limington	P-191-99	Limington Town Hall
Lincolnville	A-271-00	Kennedy
Lincolnville	A-381-88	Dean & Eugley
Lincolnville	B-020-81	Watts
Linneus	I-114-94	Bubar
Lisbon	P-729-89	Getty Oil – Station 28206
Lisbon Falls	P-732-92	Morse Brothers
Litchfield	A-023-88	Papa's Mkt
Litchfield	A-001-96	Libby Tozier School
Litchfield	A-511-98	Pattenwoods
Livermore	A-122-98	T & J Kwik Stop
Long Island	P-392-96	Wray
Machias	B-702-97	Johnson Gulf
Machiasport	B-606-96	Downeast Correctional
Madawaska	I-020-99	Harold Daigle
Madawaska	I-129-97	K-Mart
Madison	A-091-00	Kelly Oil Co.
Madison	A-052-97	Mill Pond General Store
Mapleton	I-054-95	Mapleton Market

Mapleton	I-159-97	Haystack Historical Soc.
Mapleton	I-139-94	Sharp
Masardis	I-006-96	Robinson's Market
Mattawamkeag	B-645-94	Key Bank/Markey
Mattawamkeag	B-378-92	DFSC
Mattawamkeag	B-181-94	O'Brian
Medway	B-564-93	Country Store
Milbridge	B-751-99	Robinson
Milo	B-422-93	School District
Monhegan Plt	A-549-98	Monhegan Store
Monhegan Plt	A-810-99	Monhegan School
Monmouth	A-246-88	Knowles Lumber
Monroe	B-351-97	Weaver's Garage
Monticello	I-172-97	Ingersoll
Monticello	I-003-94	Small
Naples	P-081-96	Causeway Marina
New Gloucester	P-23-86	Gerry's Gas & Tire
New Harbor	A-638-99	Ackerman
New Limerick	I-148-94	Lake View Market
New Portland	A-591-99	Anderson Fuel Oil Spill
New Sharon	A-597-95	Sharon Bender
New Sweden	I-040-91	Haney
New Sweden	I-178-89	New Sweden School
New Vineyard	A-569-99	Toothaker Fuel Oil Spill
Newcastle	A-049-00	Atkinson
Newcastle	A-550-91	Newcastle Motors
Newport	B-549-97	Coburn Farms
Newport	B-506-88	Texaco
No.Whitefield	A-026-96	Superette
Nobleboro	A-519-94	Maurice Cunningham
Nobleboro	A-373-98	Camp Kieve
Nobleboro	A-460-97	Zimmerman
Norridgewock	A-113-91	Cumberland Farms
North Yarmouth	P-121-99	Black
Northport	A-124-00	Nealy's Store
Northport	A-560-90	Bayside Market
Northport	A-498-91	Cove Corner

Oakfield	I-147-92	Mac Lane
Oakfield	I-006-95	Morisay
Oakland	A-176-84	Arbos
Oakland	A-525-91	Bolduc's Superette
Oakland	A-367-87	Pratt
Old Town	B-250-97	Dow
Orrs Island	P-112-93	Hillary
Owls Head	A-178-87	Gregory
Oxford	P-230-00	Landry
Parsonfield	P-235-99	Sanborn
Patten	I-013-96	Town Well#1
Pembroke	B-411-94	Morgan's Truck & Auto
Peru	A-257-98	Neighborhood Water Works
Phillips	A-104-97	Rosseau
Phippsburg	P-354-86	Center Store
Phippsburg	P-517-86/P-772-95	PIne Tree Service
Phippsburg	P-197-95	Bert's Oil
Phippsburg	P-256-99	West Point
Phippsburg	P-576-99	West Point North
Pittston	A-428-87	Village Store
Poland	P-481-99	Guay
Presque Isle	I-161-94	Steven’s Tank
Presque Isle	I-077-98	ME People's Bank
Presque Isle	I-096-91	Higgins
Presque Isle	I-043-95	Perry's Mini-Mart
Presque Isle	I-009-95	Dawn Leavitte
Presque Isle	I-007-90	Belanger
Presque Isle	I-082-89	Norsworthy
Presque Isle	I-028-89	MPG Parson Road
Prospect	B-682-97	Prospect Variety
Rangeley	A-783-99	Foley
Rangeley (Oquossoc)	A-202-91	Koob's Garage
Raymond	P-106-87	Jordan Bay Mobil
Raymond	P-471-98	Raymond Mystery
Robbinston	B-635-95	Rambjor Trailer Park

Rockland	A-430-98	Bog Road
Rockland	A-451-86	Former Dorothy Cross
Rockland	A-009-95	Meklin
Rockport	A-585-99	Coveside Convenience
Rome	A-101-99	Pearle
Rumford	A-039-92	Violette
Rumford	A-177-92	Route 2 Mobil
Sabattus	P-539-98	Sabattus Mystery
Sanford	P-597-95	Peoples Heritage Bank
Scarborough	P-071-99	Hamilton
Searsmont	A-416-86	Fraternity Village Store
Sedgwick	B-158-99	Burton Grindle
Sedgwick	B-763-90	Sedgwick Store
Sherman Station	I-189-97	Sherman Lumber
Sidney	A-269-00	MacDonald
Sidney	A-215-97	Milne
Sinclair	I-124-87	Sinclair Sewer
Skowhegan	A-568-93	Vacuum Systems
Skowhegan	A-460-89	Town Garage
Skowhegan	A-125-90	Satco Bulk
Skowhegan	A-251-97	Cumberland Farms
Skowhegan	A-415-95	State Police
Skowhegan	A-209-00	Chase
Smyrna Mills	I-047-94	Merrilou Robertson
So. Bristol	A-292-98	T. Manning
South Thomaston	A-163-97	McKay
South Thomaston	A-563-987	Norton Estate
South Thomaston	A-027-87	Spruce Head Comm. Ctr
Sorrento	B-138-98	Steve Sargent
South Hope	A-468-89	Fuller Trading Post
South Portland	P-070-96	BP Load Rack Line
Southport	A-493-98	Doyle
Southwest Harbor	B-255-93	Gotts Store
Southwest Harbor	B-061-98	Public Library
Springfield	B-379-88	Smith's General Store
Sprucehead	A-445-97	Off Island Store
St. Albans	B-294-87	SATCO

St. George	A-009-96	Starboat Company
Standish	P-222-93	Plummer
Standish	P-211-98	Highland Road
Standish	P-455-92	Walkers
Standish	P-312-90	Sullivan's Variety
Stonington	B-106-99	Dean's Garage (RTE 15 MYST)
Stonington	B-252-92	Little Gull Variety
Stonington	B-352-88	Harriet Leighton
Stratton	A-524-95	Targett
Sullivan	B-430-87	Dunbar's Store
Surry	B-300-91	Dick's Country
Swans Island	B-434-98	Kent's Wharf
Swans Island	B-007-99	Orcutt
Swan's Island	B-200-98	Doliber
Swanville	B-485-98	Clement's Garage
Swanville	B-347-98	Howard's Trailer Park
T22 MD	B-210-92	Airline Snackbar
Tenants Harbor	A-147-92	Tenants Harbor
Tenants Harbor	A-470-97	Long Cove Mystery Spill
Thorndike	A-437-93	Hilltop
Thorndike	A-369-97	Robert Peabody
Topsfield	B-572-97	Daggett's Store
Town Hill	B-658-93	Town Hill Store
Tremont	B-724-99	Shields Residence
Tremont	B-789-94	Bass Harbor Library
Turner	A-578-92	Murray Oil
Turner	A-446-98	Turner Middle School
Union	A-195-94	Mic Mac Market
Unity	A-186-94	MSAD#3
Upton	A-301-99	Kenyon
Vassalboro	A-083-99	Campbell
Vinalhaven	A-664-98	Patricia Bunker
W Minot	P-486-97	W. Minot Store
W.Bath	P-057-96	Kreidler
Waldo	A-319-98	Stevenson
Waldoboro	A-014-83	Thibodeau
Warren	A-633-98	Medford

Warren	A-704-99	Gammon
Warren	A-684-99	Dan Simmons
Waterboro	P-094-97	Grave’s Store
Waterville	A-054-96	Hayes Mystery Spill
Wells	P-760-96	Cumberland Farms
West Enfield	B-488-95	Hand
West Forks	B-263-86	Webber/Berry
West Gardiner	A-153-96	Greeley
West Gardiner	A-498-98	Colfer MTBE
West Gardiner	A-312-90	Fuller
Westfield	I-105-95	Holmes
Whitefield	A-535-98	Peaslee
Whitefield	A-636-98	Bils
Windham	P-124-98	Christy's
Windsor	A-294-99	Varney's Store
Windsor	A-087-90	Hussey
Windsor	A-047-96	Eric Calzone
Windsor	A-266-92	Robert Cross
Winn	B-079-98	Richard Downs
Winslow	A-355-89	Miller-Lee (Coro)
Winslow	A-222-98	Liberty
Winslow	A-476-94	Kwik Car Wash
Winslow	A-522-93	Bill's Oil Service
Winslow	A-424-87	Carter
Winslow	A-330-97	Plourde
Winthrop	A-357-94	Shelly Cox
Winthrop	A-016-83	Gem Shop
Winthrop	A-265-99	Irving
Wiscasset	A-380-97	Ace Hardware
Wiscasset	A-513-90	Wiscasset Quik Stop
Yarmouth	P-266-99	Pendleton